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1988 Men's Store Operating Experiences

MRA Annual Business Survey

Financial and Operations Group
Menswear Retailers of America

JULY 31, 1989

MRA NEWSLETTER
SECTION II

National Clothier Corporation Made Annual Business Survey Report Possible.
Full cost of the development of this 60th Annual Business Survey report by the Financial and Operations Group has been underwritten by the National Clothier Corporation division of MRA.

National Clothier Corporation's underwriting of the Annual Business Survey is an extension of its programs for providing men's wear merchants with services and supplies essential to their business development.

Copies of this Report are available from NCS. Call Toll Free: 1-800-621-4118 (in Illinois: 1-800-972-3608).

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TERMS AND DEFINITIONS

COMMUNICATIONS: Includes all expenses for local and long distance telephone service, telegrams, telephone and other communication equipment rentals and all postage expenses.

CURRENT LIABILITIES: Total of all debts falling due within one year.

EQUIPMENT COSTS: Include the lease or rental of all equipment, fixtures, delivery vehicles, company automobiles, etc. and outside repair and maintenance contracts applicable to the leased or rented equipment as well as buildings and property.

GEOGRAPHIC AREAS: Based on United States Federal Reserve Districts. The Northeast area contains the Boston, Philadelphia, and New York Districts; the Southeast contains the Richmond and Atlanta Districts; the North Central is based on the Cleveland and Chicago Districts; the Central area covers the St. Louis, Minneapolis, and Kansas City Districts; the Southwest, the Dallas District; and the West, the San Francisco District. A map detailing these areas is found on page 57.

INCOME FROM LEASED DEPARTMENTS: Commissions paid to the firm by the operators of the leased departments.

INITIAL MARKUP PERCENT: The difference between the original retail price and the cost of goods purchased, divided by original retail price. Include transportation charges in cost of purchases, but do not subtract cash discounts. For example, cost of a typical purchase may have been $600 and original retail price $1,200, resulting in an initial markup of $600, or 50% of retail price.

Markdowns at retail are markdowns net of markdown cancellations.

MEDIAN FIGURE: The mid-point of a range of figures with one-half of the firms reporting figures above it and one-half below it.

METROPOLITAN SIZE: The population immediately surrounding the area in which a business is located. This can be a community, town, or city population.

NET OTHER INCOME AND EXPENSE: Items which are financial, rather than operating in nature. Items include carrying charges from customers' charge accounts, interest income, net income or expense realized from properties not used in the business, gain or loss on the sale of fixed assets, and interest expenses. Income from leased departments is not included.

NET PURCHASES AT COST: Gross purchases at cost plus transportation charges inward minus returns to and allowances from vendors. Do not subtract cash discounts earned.

NET WORKING CAPITAL: Excess of current assets over current liabilities.

NET WORKROOM COSTS: Workroom costs minus income from alterations.

NET WORTH: In both incorporated and unincorporated firms equals total assets minus total liabilities. (In partnerships include partner's loans as liabilities.)

NON-SELLING AREA: Includes workroom area, forward and reserve stockrooms which are not used for selling purposes and those aisles not considered as selling area, such as area surrounding stairway, elevators, and/or escalators.

OPERATING PROFIT: Gross margin, including leased department income, minus expenses.

PAYROLL: Payroll of owners and officers is the amount actually paid to them. Selling payroll includes commissions and "spiffs." Non-selling payroll does not include workroom payroll.

PENSIONS: Payments to retired employees or contributions to pension or profit-sharing plans.

PUBLICITY COST: Expenses incurred for all advertising of the firm including radio, television, and newspaper advertising, special promotion material, store catalogs and other expenses attributable to the creation of publicity.

RANGE OF COMMON EXPERIENCE: The experience of the middle 50 percent of all responding firms when figures for a given item are arranged in numeric order from the lowest to the highest.

SELLING AREA: Is the total space occupied by selling departments, fitting rooms, forward stock areas which are contiguous to the department, salesmen and customer aisles, and bargain table space. Only selling space normally assigned to departments and utilized throughout the year is used in this calculation.

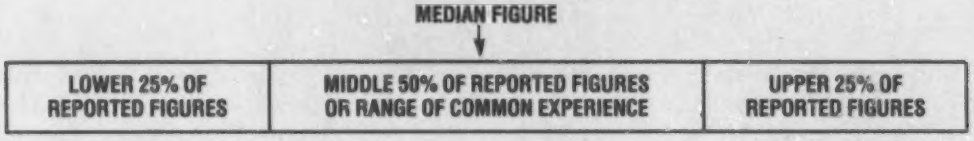
SERVICES PURCHASED: Consists exclusively of non-professional services rendered by outsiders such as cleaning, delivery, detective and alarm services, collection services by agencies and attorneys, data processing service bureaus, and credit card fees.

INVENTORY TURNOVER: Is the number of times during a given period, in this case one year, that the average inventory on hand at retail has been sold and replaced. The rate of turnover is computed by dividing net sales by average retail inventory.

SUPPLIES: Wrapping and packing supplies, cleaning supplies, stationery, electric and gas utilities, etc.; supplies used for employee welfare and employee gifts.

TOTAL NET SALES: Total of all net sales, including sales of leased department.

HOW TO USE THIS REPORT


MEDIAN FIGURE
LOWER 25% OF REPORTED FIGURES
MIDDLE 50% OF REPORTED FIGURES OR RANGE OF COMMON EXPERIENCE
UPPER 25% OF REPORTED FIGURES

Enter your figures in the columns headed "Your Firm". Compare your firm's performance with the range of common experience and with the median firm. The range of common experience shows the experience of the middle 50 percent of all responding firms when figures for a given item are arranged in numeric order from the lowest to the highest. The "Median Firm" figure represents the mid-point of the figures with one-half of the firms reporting figures above it and one-half below. Since each firm's operating experience is different, some of your figures may be out of line for perfectly valid reasons. Therefore, study your particular situation as to whether the reasons for such out-of-line figures are justified.

IMPORTANT ADVISORY NOTE

The information presented in this report is based on the results of a mail survey in which the reporting stores voluntarily participated. Thus, the sample may not necessarily reflect the entire industry.

Throughout this report the median firm's figures are reported rather than the *arithmetical average or mean*. Note particularly that with median figures, the component figures of an item may not necessarily add up to 100 percent. To avoid misinterpretation, it is important to realize that each of the medians in this Survey was independently selected from its own array of figures. Because of this variation in sampling, normally accepted mathematical relationships among related data do not always exist with respect to the medians. For example, the median gross margin percent minus the median total operating expenses percent does not necessarily equal the median operating profit percent.

IMPORTANT! The median figures presented throughout this report MAY NOT represent the operating figures and results you should strive for. You must establish their importance. When the report shows a median payroll of 20.8 percent of net sales for Group I volume firms, a lower payroll percentage would be better. Conversely, a higher gross margin would be better than the median figures reported for all groups. A special section of the report details for you the stellar performances in the men's wear retailing industry. Use these to help set the goals for your business.

MAKING THE MOST OF THE ANNUAL BUSINESS SURVEY

by

Gerald H. Smith—Retail Management Consultant

The Annual Business Survey is a valuable tool to be used in comparing your store's merchandising and operating results with those of others in the industry. It can serve as a guide to show where improvements can be made in your operation to increase profitability. In today's competitive retail climate, with major department stores, discounters and manufacturers' outlets carrying the same brands as the specialty store, it is imperative that you have current statistics on operations and merchandising to help guide you in obtaining the results needed to maintain a strong, viable business. The Annual Business Survey provides this information. It gives important data on the industry as a whole, and then goes a step further by giving the same information by firm volume, geographic area, and metropolitan population size. Thus, you can compare your performance with other stores similar to your operation.

Pages 8 and 9 give the total number of retailers who took the time to fill out and return the questionnaire along with a breakdown of these participants by area, volume, metropolitan size, number of retail outlets, and type of ownership. The first three of these are the most important as these categories are used throughout the Annual Business Survey. Use these percentages to determine where you can most heavily rely on the figures presented. As with any survey, the more firms represented, the better and more dependable the analysis.

"Highlights of the Report" (page 7) gives a summary of the major findings covered in the report. On this page comparisons are made to last year for the following: net profit, advertising expenditures, sales per square foot, stock turn rate, total expenses, alteration costs, shrinkage, and initial markup. This lets us know how we did, where we made improvements, and where we still need to improve.

The "Merchandise Trends Five-Year Report" (page 10) covers three major men's wear categories: clothing, sportswear, and furnishings. The initial markup percentage report shows changes in the initial markup for each of the three categories over the past five years. Here we can see a very slow but steady yearly increase in all categories. The markdown percentage report tracks increases and decreases in markdowns for this same period. Retailers today are more conscious of the relationship between initial markup percent, the markdown percent, and gross margin, and realize that by increasing initial markup you can also increase price promotions without decreasing gross margin. For example, an initial markup of 50% with markdowns of 10% will produce a 45% gross margin. However, by increasing the initial markup to 55%, a retailer is able to increase his markdowns to 20% and still enjoy a 46% gross margin.

"Ten Year Trends" (page 11) graphically depicts experiences in the following areas: Gross Margin Percent, Net Profit Percent, Total Expenses as a Percent of Net Sales, and the Percent of Annual Sales Increases. From the data on this page we can see that profits are static and total expenses remain high. Gross Margin has been slowly improving, though not enough to keep up with the increase in expenses. Retailers must exercise discipline in both of these areas if they are to remain in business. There is no way around it. While retailers are also finding it difficult to increase their share of the market, this year showed the most significant increase in three years. The trends shown are industry-wide. Hopefully, yours are better. As we look further in the Survey you will be able to see specific areas where improvements can be made.

Ten Key Business Ratios are listed and defined on page 12 of the Survey. These are used extensively by your banker, resources, or factors to measure your debt-paying ability. Some are also useful to management, in particular, Net Profits On Net Sales, Net Profits On Net Worth, Net Sales To Net Worth, Current Assets To Current Liabilities, and Total Liabilities On Net Worth. In my practice I use these ratios plus sales per square foot (total sales divided by total store square footage used), stock turn rate, return on assets (net profit before taxes divided by total net assets), operating expense ratio (operating expenses divided by net sales), gross margin ratio (gross margin divided by net sales), class cumulative gross margin percent (gross margin ratio times stock turn rate for each classification), and annual sales growth rate. I feel these are the 12 most significant ratios for measuring the effectiveness of a retailer.

You will see here and throughout the book that there is space provided to enter your company's figures. You should enter your own data in order to compare your company's performance to others in the industry. A word of caution: If you intend to use the data in the Survey as a guide to establishing goals for your company, I suggest you use the upper range of common experience as the minimum goal. Do not aim for mediocrity.

Data on the Star Performers is listed on pages 16 and 17 of the Survey. The retailers are in the top 25% of participants, based on net profits. These star performance figures can be most helpful in establishing objective and critical goals and criteria for your store's performance. To put your store in this category requires a two-pronged approach.

First, decide who you are and what you want to offer your customers and offer it with excellence. If it is an in-house charge account program, have the best. If you offer alterations, offer the very best, and that includes training and modern equipment. If you offer personal-

ized professional sales service, hire and pay for the best. You cannot hire qualified salespeople for minimum wage, and you cannot keep professional salespeople without an adequate compensation plan tied to their performance.

Second, keep adequate control over all aspects of your business. This does not necessarily mean that less is best. It does mean the right amount is best—the right amount of advertising, the right amount of inventory, the right number of sales associates. The detailed data presented in the Survey should be used to give you ideas for changes or improvements which you can make to enhance your company's performance.

Since payroll is the largest operating expense of a retail firm, the Annual Business Survey devotes several pages to employee productivity (pages 18-20). The Survey gives information by volume of sales on the number of employees and what they do in stores. Productivity figures are given for total store employees in three areas: sales per employee, gross margin per employee, and profit per employee.

The most important information given on employee productivity is the data on salespeople (page 21). The average sales and average pay per salesperson are very revealing. Neither of these is adequate. The level of sales being generated by salespeople is not sufficient to achieve the levels of growth and profit which are necessary to survive and prosper in today's retail environment. This is reflected in the "Ten Year Trends" discussed earlier. It has been my experience that proper personnel management in men's wear stores is even more important than inventory management in its potential for profit. In this case, as before, you should be comparing your salespersons' productivity to the top range of common experience. If the comparison is not favorable, steps need to be taken now to increase motivation through better training, sales contests—whatever it takes in your particular situation. The compensation level for salespeople is also inadequate. This causes high turnover as our good salespeople leave for better paying jobs elsewhere. This problem can be relieved by offering a compensation package tied to the salesperson's level of sales.

Page 23, showing the profit performance for all firms, paints a bleak picture. Look at the number of firms showing a loss. This gets back to earlier statements about control—control of merchandise to achieve an adequate gross margin and control of expenses.

The Profit & Merchandising Information on pages 23 and 24 highlights changes in merchandising data for each of the three major categories in comparison to last year. The average initial markup percentage of major merchandise category shows the experience of other retailers. By looking at the upper range of common experience you can see that higher initial markups are being achieved. To achieve these higher initial markups requires the discipline of a merchandising budget or Open-To-Buy, which affords the retailer the ability to plan his purchases so funds will be available to take advantage of special buys and in-season promotions.

Page 25 offers an insight on total shrinkage and gives the distribution of the shrinkage among the various departments within the store. The leased department sales information is helpful in showing the type of sales performance you can expect.

An overall view of Merchandising and Productivity data for all firms is given on page 26. This same information is given by firm volume, metropolitan trading area, and geographic area on pages 41, 46, 49, and 53. Of particular interest is the data on annual sales growth rate, sales per square foot, and stock turn rate. These are three of the ratios mentioned earlier as being most significant in evaluating a firm's performance.

The "Percentage Increase or (Decrease) in Sales by Merchandise Classification" (page 30) tracks the annual growth rate of each classification. This can be useful to retailers trying to expand their sales as it shows the gains being made by other stores in each classification.

Detailed stock turn rate information is given in the "Inventory Turnover by Merchandise Classification" chart on page 33. It is my opinion that men's wear stores have a poorer performance in this area than in any other area of their operations. With the carrying cost of excess inventory exceeding 30 percent, retailers cannot afford to be over-inventoried. Also, by keeping inventories at a lower level, the retailer is able to keep a steady supply of fresh merchandise flowing into the store and also avail himself of opportunities for in-season buying.

Page 27 shows how other retailers' sales are distributed among the classifications. This can be used as a guide to increase sales opportunities in a particular class. Of course, your sales distribution will depend on your target customer and your area of the country. For example, classifications such as jackets and heavy outerwear will show a higher percentage of total sales in northern firms.

The "Percentage Distribution of Average Inventory Within Major Departments by Merchandise Classification" (page 29) and the companion "Percentage Distribution of Sales by Merchandise Classification" (page 27) show the relationship of sales to inventory and clearly illustrate that a higher level of inventory does not necessarily give you more sales. Enter your figures here and compare them.

The "Markdowns as a Percentage of Merchandise Classification Sales" (page 31) shows the amount of markdowns other retailers are taking for each particular class. If yours exceed or are considerably below the norm, ask yourself why. Remember, higher markdowns can be easily afforded if the trade-off is higher markons and turnover. Lower is not necessarily better.

Pages 35 and 38 give information on how retailers spend their advertising dollars. Page 35 shows a breakdown of advertising expenditures by media types. There is a wide variance in the range of common experience since localities vary so widely in the effectiveness of different media. Page 38 breaks down total advertising expenditures on a monthly basis. It shows what percent-

age of the total advertising dollar is spent for each month and how it relates to the total sales distribution.

The Composite Operating Statement for all firms on pages 36-37 is very helpful. This information is repeated by firm volume on pages 40 and 45, by metropolitan population size on pages 50-51, and by geographic area on pages 54-55. By looking at the upper range of common experience you can see that some retailers are achieving a good gross margin percentage of 45% and more. The retailers achieving this level of gross margin are likely the ones using the Retail Inventory Method and following an Open-To-Buy. Without this discipline it is difficult, if not impossible, to achieve higher levels of gross margin.

The Retail Inventory Method gives valuable information on initial markup and markdown percentages by classification, enabling you to not only know that your gross profit is too low but help you see why it is too low. This initial markup could be insufficient or the markdowns or shrinkage too high. The stock ledger gives you this and other valuable management informtion.

A well-executed and followed Open-To-Buy can also enable you to achieve higher gross profit by planning purchases so you are able to take advantage of promotional buying opportunities. Also, an Open-To-Buy will help in keeping inventory levels down so excess markdowns to clear out old stock can be avoided.

Fill in your company's expense figures and see how yours compare. Use this to help spot areas where expenses are out of line. For example, if other retailers are able to keep the expense for supplies at 3 percent of sales and yours is at 4½ percent, find out why and take the necessary steps to correct it.

Performance ratios based on square footage are given on pages 42 and 47, first by selling area, then by total area. This emphasizes how valuable a square foot of area must be considered, especially with today's rent and occupancy costs. The key to better performance is increased sales per square foot. This is further shown on pages 48 and 52 where sales per square foot data is given by metropolitan size and by geographic area. As stated earlier, the two most critical ratios in measuring the success or failure of a retail apparel specialty store are sales per square foot and stock turn rate.

On the last page of the survey is the 4-5-4 retail accounting calendar which I recommend to all retail apparel stores. It eliminates year-to-year fluctuation in monthly sales due to the different number or assortment of selling days per month, which is helpful in planning sales, inventory, payroll, and advertising expenditures.

If you did not participate in the Annual Business Survey this year I hope you will make every effort to do so next year. The more participants we have, the more valuable the Survey will be.

1988 HIGHLIGHTS OF THE REPORT

- Net profits before taxes (p. 37) slipped off the eight-year high of 2.8 percent of sales in 1987 to a median 2.7 percent of sales in 1988. However, the typical men's store kept net profits above the ten-year low of 2.2 percent of sales experienced in 1985. Firms handling women's wear continued to improve their net profit before taxes, inching up to 2.4 percent of sales in 1988, compared with 2.3 percent of sales in 1987 and 1.8 percent of sales in 1986. Firms handling men's wear only continued to turn in a better than average performance, although down from 1987 levels, reporting median net profits before taxes of 3.1 percent of sales, compared with 3.4 percent in 1987.

- A smaller percentage of men's wear firms responding to the Annual Business Survey showed losses (p. 23) for the year. For 1988, 14 percent of firms responding to the Survey indicated a loss, compared with 19 percent of responding firms in 1987. The percentage of firms reporting a profit of up to 4.9 percent of sales increased to 59% of responding firms in 1988 versus 48 percent in 1987.

- The net sales performance (p. 26) for 1988 improved, ending at a median 3.6 percent increase over 1987 sales totals, compared with a median 3.2 percent sales gain in 1987 over 1986 levels. This matches the five-year high for sales increases established in 1986.

- Advertising expenditures as a percent of sales (p. 36) remained relatively constant, slipping one-tenth of a percent in 1988 to a median 3.2 percent of sales, compared with 3.3 percent of sales in 1987 and 3.4 percent of sales in 1986.

- Total expenses as a percent of sales (p. 37) increased by a half percentage point, establishing a new ten-year high. In 1988, expenses were reported at 42.2 percent of sales, compared with 41.7 percent of sales in both 1987 and 1986. The previous high was established in 1985 when expenses hit 42.0 percent of sales. Firms handling men's wear only experienced higher than average expenses in 1988, reporting this figure at 43.2 percent of sales, compared with 41.0 percent in 1987. Firms handling women's wear generally did slightly better than average, turning in expenses at 41.8 percent of sales, compared with 42.0 percent in 1987.

- The median stock turn rate (p. 26 & 33) remained the same in 1988 at a median 1.9 times turn, matching the 1987 experience and still above the 1.7 times turn reported in 1986. The last time the median stock turn rate went above 2.0 was in 1985. Firms handling women's wear reported a stock turn of 2.0 times in 1988, compared with 1.9 in 1987 and 1.8 in 1986. Firms handling men's wear only reported a 1.8 times turn on inventory for 1988, compared with 1.7 times in 1987.

- Shrinkage (p. 25) continued to represent less than 2 percent of sales for the typical store. In 1988, the All Firms median for shrinkage was reported at 1.1 percent of sales, down from the 1.5 percent of sales experienced in 1987. Firms handling women's wear improved their shrinkage loss from 1.6 percent of sales in 1987 to 1.1 percent in 1988.

- Men's wear stores continued to tighten up inventory in 1988. Ending inventory as a percent of sales (p. 26) continued to go down, hitting a ten-year low of 23.0 percent of sales in 1988, compared with 25.1 percent of sales in 1987. Ending inventory as a percent of sales has been lowered for four consecutive years after hitting a 10-year high of 26.9 percent of sales in 1984.

- Average initial markup (p. 24) moved up fractionally from a median 54 percent in 1987 to 54.1 percent in 1988. Firms handling men's wear only reported average initial markup at a median 54.3 percent, unchanged from 1987 levels. Firms handling women's wear showed little change, turning in an average initial markup percentage report of a median 53.9 percent, compared with 54.0 percent in 1987.

- Markdowns for all three major categories (p. 10) moved up slightly in 1988. The typical store experienced markdowns of 16.1 percent on men's clothing, compared with 16.0 percent in 1987. Men's sportswear markdowns were reported at a median 17.6 percent versus 17.2 percent in 1987, and men's furnishings took a median 9.7 percent in markdowns compared with 9.4 percent the previous year.

- Looking at sales distribution among the three major classifications (p. 10), men's clothing sales in 1988 represented 46.9 percent of total sales compared with 47.8 percent in 1987. Sportswear sales accounted for slightly less of total sales in 1988, reported at a median 28.3 percent of sales in 1988 versus 31.4 percent in 1987. Men's furnishings sales moved up from 20.8 percent of total sales in 1987 to 24.8 percent of sales in 1988.

WHO MADE THIS SURVEY POSSIBLE

DATA COMPILATION

Information for this year's Survey was received, controlled and compiled into the statistical tables by Tyson Belzer & Associates, Inc. The medians and ranges of common experience were computed based on the confidential, unaudited questionnaires submitted by 140 participants with useable returns. Respondents were contacted as required to reconcile questionable data. The results of the participating members are presented to represent characteristics of the men's wear retailing industry and are not intended to represent a statistically valid sample of MRA members.

1988 REPORT BY GEOGRAPHIC AREA

The geographic areas used in this report are based on the United States Federal Reserve Districts. The Northeast area contains the Boston, Philadelphia, and New York Districts; the Southeast contains the Richmond and Atlanta Districts; the North Central is based on the Cleveland and Chicago Districts; the Central area covers the St. Louis, Minneapolis and Kansas City Districts; the Southwest, the Dallas District and the West, the San Francisco District. A map detailing these areas is found on page 57.

Geographic Area	Percent of Total Participants
Northeast	16%
Southeast	21%
North Central	22%
Central	18%
Southwest	12%
West	11%
Total	100%

1988 REPORT BY FIRM VOLUME

Volume Group	Percent of Total Participants
I. Under $300,000	6%
II. $300,000 to $499,999	15%
III. $500,000 to $999,999	24%
IV. $1,000,000 to $3,499,999	36%
V. $3,500,000 and over.	19%
Total	100%

1988 REPORT BY SIZE OF METROPOLITAN (TRADING) AREA

This is the population of the trading area immediately surrounding the community, town, or city in which your business is located. These divisions represent the total number of potential customers for your store as found in your trading area.

Metropolitan Size	Percent of Total Participation
I. Less than 25,000	16%
II. 25,000 to 49,999	15%
III. 50,000 to 99,999	21%
IV. 100,000 to 499,999	29%
V. 500,000 to 999,999	6%
VI. 1,000,000 and over	13%
Total	100%

1988 REPORT BY NUMBER OF RETAIL OUTLETS

No. of Outlets	Percent of Respondents
1	60%
2	15%
3	7%
4	4%
5	4%
6	1%
7	3%
8	1%
9	—%
10 or more	2%
Not Given	3%
Total	100%

1988 REPORT BY TYPE OF BUSINESS

Type of Business	Percent of Respondents
Proprietorships	6%
Partnerships	1%
Incorporated*	93%
Total	100%

*Included in this figure are Subchapter "S" incorporated proprietorships.

1988 REPORT BY STORE TYPE

Store Type	Percent of Total Stores	Type of Ownership	
		Own	Rent
Downtown	33%	41%	59%
Strip center	19%	11%	89%
Enclosed Mall	42%	2%	98%
Free-Standing Suburban	6%	17%	83%
All Stores	100%	17%	83%

SELLING AREA AND TOTAL AREA BY STORE TYPE

(average square feet)

Store Type	Selling Area	Total Area (Both Selling & Non-Selling) Average Sq. Ft.
Downtown	5,235	7,627
Strip Center	4,533	5,612
Enclosed Mall	4,232	4,975
Free-Standing Suburban	4,855	6,527

MERCHANDISE TRENDS—FIVE YEAR REPORT 1984-1988

These figures represent the changes in the men's fashion industry. Because Survey participants vary from year to year, the figures should not be interpreted as showing definite industry trends.

DISTRIBUTION OF MEN'S WEAR SALES WITHIN THREE MAJOR MERCHANDISE CLASSIFICATIONS

	1984	1985	1986	1987	1988
Total Men's Clothing	45.2%	52.7%	48.2%	47.8%	46.9%
Total Men's Sportswear	32.8%	28.0%	29.3%	31.4%	28.3%
Total Men's Furnishings	22.0%	19.3%	22.5%	20.8%	24.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

PERCENTAGE OF INITIAL MARKUP FOR MAJOR MEN'S WEAR CATEGORIES FIVE YEAR REPORT

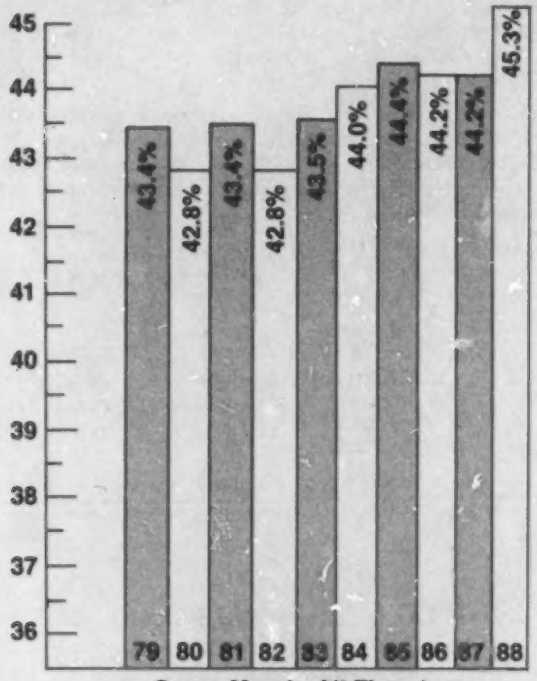
Year	Men's Clothing	Men's Sportswear	Men's Furnishings
1984	54.4%	53.5%	53.9%
1985	54.3%	54.0%	54.0%
1986	53.9%	53.9%	53.7%
1987	54.3%	54.9%	54.0%
1988	54.1%	54.8%	54.4%

PERCENT OF MARKDOWN FOR MAJOR MEN'S WEAR CATEGORIES FIVE YEAR REPORT

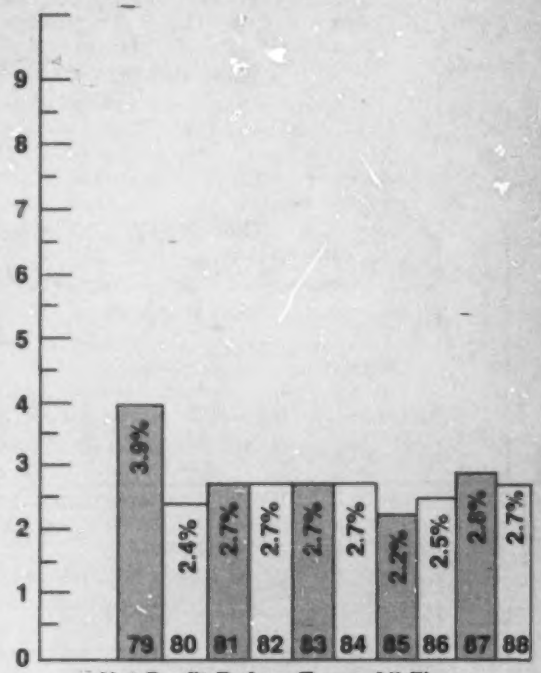
Year	Men's Clothing	Men's Sportswear	Men's Furnishings
1984	15.9%	15.5%	8.5%
1985	14.8%	16.5%	9.4%
1986	16.8%	17.6%	10.5%
1987	16.0%	17.2%	9.4%
1988	16.1%	17.6%	9.7%

TEN YEAR TRENDS

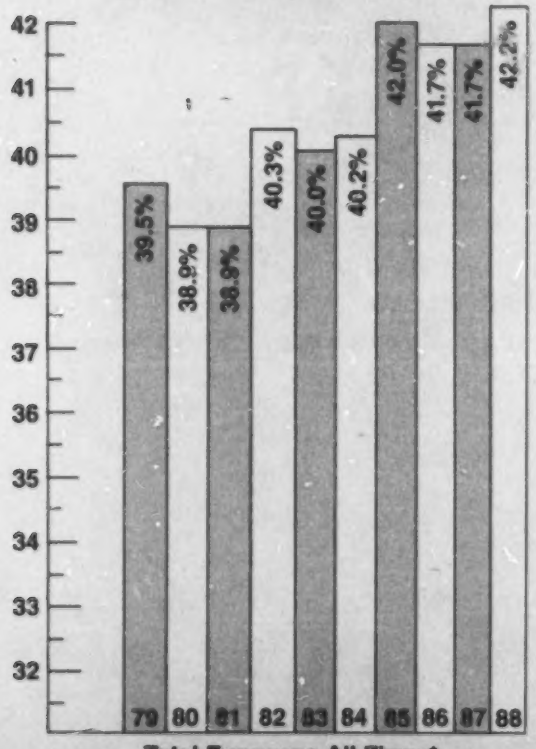
The presentation of ten year trend figures is to illustrate how the men's wear retailing industry changes. Each year's figures are independent and must stand alone. Because survey participants vary each year, the figures presented may not be entirely compatible. Data depicted are median figures.



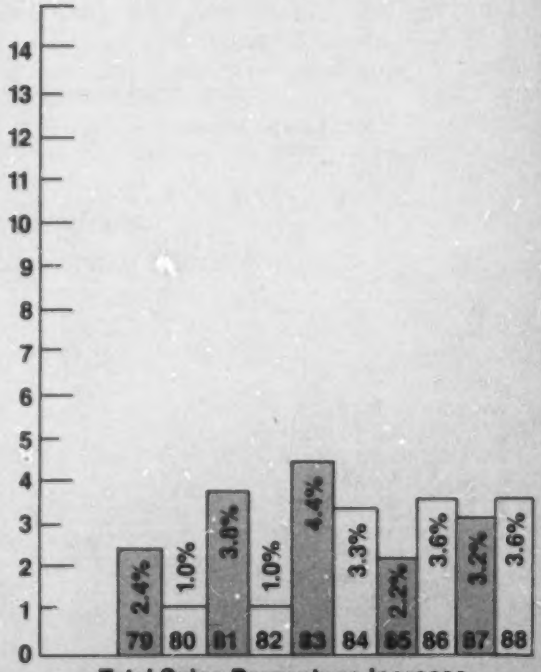
Gross Margin All Firms*
(Percent of Net Sales)



Net Profit Before Taxes All Firms
(Percent of Net Sales)



Total Expenses All Firms*
(Percent of Net Sales)



Total Sales Percentage Increase
over Prior Years

THE 10 KEY BUSINESS RATIOS THAT UNLOCK THE DOOR TO CREDIT AND HELP YOU EVALUATE THE SUCCESS OF YOUR BUSINESS

Each year these ten key business ratios are used by your banker, your resources and others to determine your ability to meet your obligations—your business' strength. Their evaluation of your performance in these ten areas can open the door to the credit you need. An understanding of these ten key business ratios helps you to evaluate and better understand your business.

1

CURRENT ASSETS TO CURRENT LIABILITIES

Current Assets are divided by total **Current Liabilities.** Current Assets are the cash, notes, accounts receivable, (less reserve for bad debts) merchandise inventories and securities (not in excess of market value). Current Liabilities consist of the total of all debts falling due within one year. This is one test of solvency.

2

QUICK RATIO OR ACID TEST

This ratio is a more severe measure of liquidity than the current ratio, since it eliminates inventory and prepaid items from consideration. It assumes that a company's ability to meet its current debts in an emergency depends on its "quick" assets—its cash and readily marketable securities and receivables. The traditional rule of thumb is that the minimum for this ratio should be 1 to 1, which implies that current liabilities are covered by quick assets. The ratio is obtained by dividing **"Quick Assets"** by **Current Liabilities.**

3

NET PROFITS ON NET SALES

This ratio is obtained by dividing **Net Profits** of the business (before taxes) by **Net Sales.** This important yardstick in measuring profitability is closely related to the next ratio.

4

NET PROFITS ON NET WORTH

This ratio is computed by dividing **Net Profits** (before taxes) by **Net Worth.** Net Worth is the equity you or your stockholders have in the business as obtained by subtracting total liabilities from total assets. There is a tendency to use this figure as a final evaluation of business profitability. Most evaluators look upon a relationship of at least 14 percent as desirable for providing funds for future growth.

5

NET PROFITS ON WORKING CAPITAL

This ratio is obtained by dividing **Net Profit** (before taxes) by **Net Working Capital.** Net Working Capital is the excess of Current Assets over Current Liabilities and represents the cushion available to the business for carrying inventories, in some cases receivables, and for day-to-day financing. This ratio then reflects the contribution of net profits to business liquidity.

6

NET SALES TO NET WORTH

Net Sales are divided by **Net Worth.** This gives a measure of the turnover of invested capital.

7

NET SALES TO NET WORKING CAPITAL

Divide **Net Sales** by **Net Working Capital.** This serves as a guide to a firm's ability to turn its Working Capital and its levels of operating funds.

8

CURRENT LIABILITIES ON NET WORTH

Computed by dividing **Current Liabilities** by **Net Worth.** A potential problem exists when this relationship exceeds 80 percent.

9

TOTAL LIABILITIES ON NET WORTH

Divide **Total Liabilities** by **Net Worth.** When this ratio is in excess of 100 percent the creditors have a greater equity in the firm than the owners.

10

INVENTORY ON NET WORKING CAPITAL

Merchandise Inventory, as reflected in current assets, is divided by **Net Working Capital.** This indicates inventory balance and true capital liquidity. Ordinarily this ratio should not exceed 80 percent or day-to-day operating capital is impaired.

TOTAL INDUSTRY PERFORMANCE ALL FIRMS

TEN KEY BUSINESS RATIOS BASED ON A STUDY OF MEN'S WEAR RETAILING FIRMS

	Range of Common Experience	Median
Current Assets to Current Liabilities	2.1- 5.0	2.9
Quick Ratio	.5- 1.9	1.0
Net Profits on Net Sales	.8- 5.5%	2.7%
Net Profits on Net Worth	3.9- 24.8%	11.0%
Net Profits on Net Working Capital	3.6- 22.3%	10.2%
Net Sales to Net Worth	2.4- 5.7	3.9
Net Sales to Net Working Capital	2.8- 6.2	4.1
Current Liabilities on Net Worth	22.1- 92.8%	46.5%
Total Liabilities on Net Worth	33.3-129.8%	62.1%
Inventory on Net Working Capital	75.8-146.3%	98.2%

TEN KEY BUSINESS RATIOS BY FIRM VOLUME

	GROUP I FIRMS ANNUAL SALES UNDER $300,000 (9 Firms)		GROUP II FIRMS ANNUAL SALES $300,000 to $499,999 (21 Firms)		GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 (33 Firms)		GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999 (51 Firms)		GROUP V FIRMS ANNUAL SALES $3,500,000 and over (26 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
Current assets to current liabilities	2.4 - 12.9	5.7	1.8- 4.6	3.3	2.6- 7.1	4.0	2.1- 4.4	2.7	1.9- 3.1	2.3	_____
Quick ratio or acid test	.3 - 2.8	1.3	.3- 2.5	.6	.7- 3.7	1.4	.4- 1.9	.9	.7- 1.4	1.0	_____
Net profits on net sales	1.5- 12.5%	3.8%	.4- 9.0%	4.1%	.8- 5.6%	2.8%	1.2- 4.6%	2.5%	.6- 3.9%	1.8%	_____
Net profits on net worth	5.7- 48.8%	13.0%	(2.2)- 46.5%	13.4%	4.2- 16.1%	11.0%	4.6- 32.0%	12.6%	2.2- 16.6%	7.6%	_____
Net profits on net working capital	4.2- 34.2%	12.1%	(10.1)- 42.7%	14.0%	4.3- 17.6%	9.3%	6.1- 25.7%	12.3%	2.0- 18.4%	6.7%	_____
Net sales to net worth	1.8 - 3.9	2.6	2.1- 5.6	4.0	2.2- 4.0	3.1	2.6- 7.7	5.1	2.5- 5.6	4.0	_____
Net sales to net working capital	2.3 - 3.3	2.4	2.2- 5.5	4.1	2.4- 4.6	3.1	3.0- 7.3	5.4	3.5- 6.4	4.4	_____
Current liabilities on net worth	7.6 - 93.6%	19.9%	2.2-112.8%	42.9%	13.8- 56.5%	32.0%	24.7-101.3%	53.1%	40.0-112.1%	55.9%	_____
Total liabilities on net worth	11.8 -114.5%	29.9%	26.8-124.7%	89.2%	22.4- 91.7%	41.8%	35.4-142.3%	61.8%	53.6-131.0%	82.9%	_____
Inventory on net working capital	90.2 -146.3%	94.8%	77.5-153.8%	111.0%	58.7-113.4%	89.2%	68.4-155.9%	101.0%	83.8-142.0%	100.2%	_____

TEN KEY BUSINESS RATIOS BY GEOGRAPHIC (Federal Reserve District) AREA

	NORTHEAST Boston, Philadelphia, New York, F.R. Dist. (22 Firms)		SOUTHEAST Richmond, Atlanta F.R. Dist. (29 Firms)		NORTH CENTRAL Cleveland, Chicago F.R. Dist. (31 Firms)		CENTRAL St. Louis, Minneapolis, Kansas City F.R. Dist. (25 Firms)		SOUTHWEST Dallas F.R. Dist. (16 Firms)		WEST San Francisco F.R. Dist. (15 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
Current assets to current liabilities....	2.1- 4.0	2.7	1.9- 6.6	2.4	2.1- 5.0	3.2	2.3- 5.1	3.5	2.1 - 3.5	2.7	2.3- 6.2	3.4	_____
Quick ratio or acid test.....	.3- 1.5	.9	.4- 2.6	.9	.5- 2.0	1.2	.6- 1.4	.9	.7 - 2.3	1.1	.7- 2.0	1.2	_____
Net profits on net sales.....	(.8)- 5.8%	2.1%	.6- 4.5%	2.3%	2.2- 5.7%	3.4%	1.1- 8.5%	3.8%	.9- 5.5%	3.4%	(.3)- 2.6%	1.4%	_____
Net profits on net worth.....	5.3- 25.0%	11.6%	2.3- 13.6%	5.5%	5.7- 31.1%	12.1%	7.1- 34.6%	15.5%	3.9- 26.3%	15.2%	(1.4)- 14.4%	6.8%	_____
Net profits on net working capital..	2.6- 21.0%	13.5%	2.3- 11.4%	5.8%	7.3- 30.6%	12.8%	3.6- 25.5%	17.0%	3.3- 31.9%	12.9%	(.3)- 12.4%	5.6%	_____
Net sales to net worth.....	2.3- 5.9	4.8	2.4- 5.4	3.6	2.5- 7.3	3.6	2.5- 5.7	4.1	2.5 - 4.4	3.8	3.2- 8.3	3.8	_____
Net sales to net working capital..	2.9- 7.0	5.6	2.7- 5.1	3.4	3.1- 7.3	4.3	2.7- 5.4	4.1	3.0 - 5.5	4.0	2.6- 5.0	3.3	_____
Current liabilities on net worth.....	22.0- 74.3%	51.8%	19.4-115.6%	56.7%	22.2-118.6%	35.2%	21.7-100.3%	29.1%	26.1 - 57.9%	49.3%	33.7-103.3%	48.1%	_____
Total liabilities on net worth.....	30.9-105.4%	52.7%	37.0-142.3%	89.2%	26.9-166.5%	40.4%	24.4-183.0%	71.2%	41.8 -103.2%	57.6%	40.0-241.3%	112.3%	_____
Inventory on net working capital..	75.3-175.0%	105.4%	80.2-148.7%	111.0%	73.0-161.0%	91.5%	84.1-114.1%	99.1%	45.6 -135.8%	91.2%	73.9-139.1%	94.0%	_____

TEN KEY BUSINESS RATIOS BY METROPOLITAN (TRADING) AREA SIZE

	POPULATION Less Than 25,000 (23 Firms)		POPULATION 25,000-49,999 (21 Firms)		POPULATION 50,000-99,999 (29 Firms)		POPULATION 100,000-499,999 (41 Firms)		POPULATION 500,000-999,999 (8 Firms)		POPULATION 1,000,000 and over (18 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
Current assets to current liabilities....	2.2- 5.7	2.9	3.4- 7.3	6.0	2.5- 4.7	2.8	1.9- 3.4	2.4	1.8- 4.7	2.8	1.9 - 4.8	2.2	_____
Quick ratio or acid test.....	.3- 1.3	.9	1.2- 3.8	1.9	.6- 1.4	1.1	.4- 1.9	.9	.4- 2.1	1.3	.4 - 2.0	.9	_____
Net profits on net sales.....	1.2- 5.7%	2.9%	1.0- 8.6%	3.1%	.7- 5.3%	3.1%	1.0- 4.3%	2.3%	(.3)- 5.5%	.8%	1.5- 5.5%	3.8%	_____
Net profits on net worth	4.3- 35.3%	9.4%	4.3- 16.7%	11.0%	2.3- 22.2%	9.1%	2.9- 24.4%	11.6%	(1.1)- 17.6%	3.7%	9.6- 36.5%	16.7%	_____
Net profits on net working capital..	4.1- 18.5%	12.1%	4.5- 18.7%	10.4%	2.3- 22.8%	9.8%	3.4- 22.6%	9.7%	(2.1)- 25.7%	4.4%	5.2- 32.7%	14.1%	_____
Net sales to net worth.....	2.1- 5.9	4.0	2.0- 3.7	2.7	2.3- 5.8	3.2	2.7- 5.6	4.2	2.3- 6.8	4.8	3.5 - 8.0	5.0	_____
Net sales to net working capital..	2.4- 6.4	3.2	2.2- 4.1	2.9	2.9- 5.5	4.0	3.0- 6.9	4.8	3.2- 8.6	4.1	3.3 - 7.0	5.2	_____
Current liabilities on net worth	19.6-112.8%	51.8%	13.5- 35.3%	19.9%	22.4- 56.7%	41.8%	37.0-109.3%	57.5%	21.7-121.4%	70.7%	31.6 -123.5%	57.5%	_____
Total liabilities on net worth	19.8-149.6%	62.3%	19.4- 50.1%	29.9%	34.3- 89.2%	62.3%	44.2-140.1%	78.8%	25.1-213.5%	83.4%	57.0 -210.6%	102.6%	_____
Inventory on net working capital..	85.3-153.8%	106.6%	52.2- 94.8%	87.4%	78.3-111.0%	94.8%	60.9-164.9%	111.0%	65.3-182.4%	94.8%	85.7 -160.7%	103.1%	_____

THE STAR PERFORMERS

Pacesetters for the Men's Wear Retailing Industry

Median, or middle, performance figures used throughout this report offer comparative guidelines for evaluating your firm's performance with that of similar firms and the industry as a whole. However, for firms seeking more aggressive growth, we've highlighted the top performance levels as reported in this Survey and suggest that for some, they may serve as more challenging goals.

The sole criterion for star performers was net profit before taxes as reported by the top twenty-five percent who participated in this Survey.

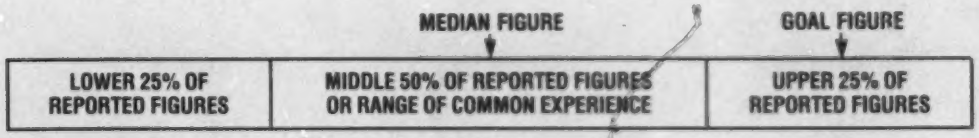
In an effort to find out what contributes most to star performances, we have analyzed key criteria such as gross margin and expense categories such as payroll, rent, advertising and total expense levels. The resulting analysis indicates that no single key expense criterion was responsible for the stellar performance and while in most cases expenses were lower than the industry median performance, an exception indicates that higher profits can still be attained through controlling gross margin.

Gross Margin Contribution to Top Performance. Gross margin levels reflect the effectiveness of merchandising procedures and practices. The components involved are initial markup, markdowns, shrinkage, incoming freight and discounts earned. Improvements in gross margin translate into direct increases in net profits. Complete open-to-buy budgeting by classification and strict adherence to plans is the surest way to improve gross margin.

Expense Control Contribution to Top Performance. Controlling expenses is another major area affecting net profit. Variations between median figures for all stores within each volume group and goal figures are even more marked in expense levels than in gross margin, indicating this area provides the greatest opportunity for profit improvement. Expense savings are best achieved by detailed budgeting of each item by month. A prompt analysis and thorough review of any figures out of line should result in early correction.

Payroll is the largest expense category and therefore worthy of most attention. Careful utilization of part-time help will keep costs down. Motivation of the entire staff is necessary in improving productivity. Selling help must be scheduled in accordance with customer traffic pattern as studied frequently. Keeping records simple and reports at a minimum, consistent with needs and efficiency, keeps non-selling payroll down.

Merchandise Control Contribution to Top Performance. Effective merchandise control contributes substantially to net profit. Improved turnover will result in lower markdowns, less accumulation of old goods, fewer lost sales because of balanced stocks, and an improved fashion image. Higher sales per square foot in turn results in a more exciting store, less shrinkage, lower selling cost and savings in many expense areas.


MEDIAN FIGURE
GOAL FIGURE
LOWER 25% OF REPORTED FIGURES
MIDDLE 50% OF REPORTED FIGURES OR RANGE OF COMMON EXPERIENCE
UPPER 25% OF REPORTED FIGURES

STAR PERFORMERS BY FIRM VOLUME

	GROUP I FIRMS ANNUAL SALES UNDER $300,000	GROUP II FIRMS ANNUAL SALES $300,000 to $499,999	GROUP III FIRMS ANNUAL SALES $500,000 to $999,999	GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999	GROUP V FIRMS ANNUAL SALES $3,500,000 and over
	(4 Firms)	(8 Firms)	(9 Firms)	(10 Firms)	(4 Firms)
	Goal Figure	Goal Figure	Goal Figure	Goal Figure	Goal Figure
Gross margin, including income from leased departments	44.0	45.6	46.9	46.4	51.8
Total payroll	15.0	17.3	19.1	16.6	16.8
Advertising	2.8	2.4	2.4	2.0	3.3
Real property rentals	3.9	3.6	3.0	5.5	7.2
Total expenses	31.7	32.5	39.2	40.5	43.0
Net profit, before Federal income taxes	12.5	10.5	7.2	6.6	8.6

STAR PERFORMERS BY GEOGRAPHIC (FEDERAL RESERVE DISTRICT) AREA

	NORTHEAST Boston, Philadelphia, New York, F.R. Dist.	SOUTHEAST Richmond, Atlanta F.R. Dist.	NORTH CENTRAL Cleveland, Chicago F.R. Dist.	CENTRAL St. Louis, Minneapolis, Kansas City F.R. Dist.	SOUTHWEST Dallas F.R. Dist.	WEST San Francisco F.R. Dist.
	(5 Firms)	(6 Firms)	(8 Firms)	(10 Firms)	(5 Firms)	(1 Firm)
	Goal Figure	Goal Figure	Goal Figure	Goal Figure	Goal Figure	Goal Figure
Gross margin, including income from leased departments	43.6	46.4	47.3	46.6	49.7	43.2
Total payroll	20.9	16.5	18.7	17.7	16.0	22.8
Advertising	3.0	2.4	2.4	2.5	2.5	1.1
Real property rentals	4.1	3.9	5.3	3.6	4.4	3.1
Total expenses	39.0	35.4	35.7	37.2	39.7	39.2
Net profit, before Federal income taxes	8.2	8.9	8.9	8.8	6.2	7.2

STORE EMPLOYEES AND WHAT THEY DO

The average number of employees of firms in all volume groups changed very little in 1988 compared with 1987. In Volume Groups III and V, the typical number of employees increased by one. All other groups remained unchanged. In Groups I and II, the number of full-time sales employees was reported at a median of 2 versus 1 last year. However, the range of common experience remained unchanged at 1-2 employees.

In Group V firms, the number of full-time sales employees decreased from a median of 23 in 1987 to a median of 20 in 1988, continuing the trend established over the last few years. At the same time, the number of part-time sales employees in Group V firms increased dramatically, from 9 in 1987 to 15 in 1988. Tailoring and alterations personnel also increased in Group V firms in 1988, moving up to a median 13 from a median of 10 the year before.

STORE EMPLOYEES AND WHAT THEY DO BY FIRM VOLUME

	GROUP I FIRMS ANNUAL SALES UNDER $300,000	GROUP II FIRMS ANKUAL SALES $300,000 to $499,999	GROUP III FIRMS ANNUAL SALES $500,000 to $999,999	GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999	GROUP V FIRMS ANNUAL SALES $3,500,000 and over
Average No. of employees					
Range of common experience	2-4	4-6	6-10	14-22	52-122
Median	3	5	9	17	65
General management					
Range of common experience	1-1	1-2	1-2	1-2	2-3
Median	1	1	1	2	3
Office personnel					
Range of common experience	NA	1-1	1-2	1-2	6-14
Median	NA	1	1	2	7
Buying & merchandising					
Range of common experience	NA	NA	1-2	1-2	2-5
Median	NA	NA	1	2	3
Store management					
Range of common experience	NA	NA	1-1	1-3	4-11
Median	NA	NA	1	1	6
Full-time sales					
Range of common experience	1-2	1-2	2-4	3-7	14-39
Median	2	2	3	5	20
Part-time sales					
Range of common experience	1-1	1-2	1-3	2-5	6-20
Median	1	1	1	3	15
Tailoring & alterations					
Range of common experience	NA	1-1	1-2	2-5	7-22
Median	NA	1	1	3	13
Warehouse, delivery, maintenance					
Range of common experience	NA	NA	1-1	1-2	2-9
Median	NA	NA	1	1	4

HOW PRODUCTIVE ARE YOUR EMPLOYEES

In an effort to help the retailer evaluate his employee's productivity, the average number of employees working for each Survey participant was divided into the key business figures of annual sales, gross margin, and operating profits. The results are an indication of your employees' contributions to overall store profits and of individual productivity. The figures represent median performance levels and are not those of the outstanding performers. This should be kept in mind when setting individual performance goals for your employees.

The average total sales per employee increased in all five volume groups, with 1988 performances increasing over 1987 levels between 3 and 18 percent.

Group I firms reported average sales per employee at $82,200 in 1988, compared with $70,700 in 1987. Group II firms experienced the largest increase, with average sales per employee moving up to $88,900 in 1988 against $75,200 the previous year. Group III firms increased sales per employee from $82,200 to $86,000 and Group IV firms went up from $88,000 to $91,900. Group V firms showed the smallest increase, going from $83,500 per employee to $86,300, a 3 percent change. In 1987, firms in Groups I, II, III, and IV had reported declines in median sales per employee over 1986 levels and firms in Group V held even with 1986 levels.

STORE EMPLOYEE PRODUCTIVITY BY FIRM VOLUME
(In Thousands of Dollars)

	GROUP I FIRMS ANNUAL SALES UNDER $300,000	GROUP II FIRMS ANNUAL SALES $300,000 to $499,999	GROUP III FIRMS ANNUAL SALES $500,000 to $999,999	GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999	GROUP V FIRMS ANNUAL SALES $3,500,000 and over
Average total sales per employee					
Range of common experience	$52.5 - 99.3	$70.8-160.0	$67.7-107.3	$77.5-113.9	$72.7- 99.9
Median	$82.2	$ 88.9	$ 86.0	$ 91.9	$86.3
Average gross margin per employee					
Range of common experience	$22.0 - 45.4	$31.6- 48.3	$29.3- 40.0	$34.3- 48.7	$33.7-48.8
Median	$30.3	$37.4	$38.4	$41.4	$41.6
Average profit per employee					
Range of common experience	$ 1.2- 11.5	$ .3- 8.8	$ .7- 4.9	$ 1.1- 4.7	$ .4- 3.6
Median	$ 2.3	$ 4.3	$ 1.8	$ 2.4	$ 1.9

When broken down by region and metropolitan area trading size, sales, gross margin and operating profit per employee showed a more mixed performance. Average sales per employee increased in metropolitan areas of all sizes except those with populations of 50,000 to 99,000. Firms in the two smallest metropolitan area groups—Less Than 25,000 and 25,000-49,999—showed the most dramatic increase, moving up 18% and 13% respectively. On a regional basis, firms in four of the six federal reserve districts showed an increase in average sales per employee, one—the Southeast--was down slightly, and the Central district showed no change from 1987 levels. Average profit per employee on a regional basis was evenly divided between regions showing an increase and regions showing a decline. Increases were reported by firms in the Southeast, Central and Southwest regions and declines were reported in the other three regions.

STORE EMPLOYEE PRODUCTIVITY BY METROPOLITAN (TRADING) AREA SIZE

(In Thousands of Dollars)

	POPULATION Less Than 25,000 (23)Firms)		POPULATION 25,000-49,999 (21 Firms)		POPULATION 50,000-99,999 (29 Firms)		POPULATION 100,000-499,999 (41 Firms)		POPULATION 500,000-999,999 (8 Firms)		POPULATION 1,000,000 and over (18 Firms)	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
Average Total Sales Per Employee	$61.2-110.6	$85.7	$67.9-100.1	$ 84.4	$70.6- 96.1	$81.5	$76.2-105.8	$91.3	$ 78.7 - 92.0	$86.3	$ 80.8 -120.1	$103.2
Average Gross Margin Dollars Per Employee	$23.5- 42.1	$33.2	$30.7- 46.4	$36.6	$30.2- 44.4	$37.0	$34.5- 48.7	$41.7	$ 36.9 - 46.0	$42.0	$ 40.6 - 57.8	$51.8
Average Operating Profit Dollars Per Employee	$ 1.1- 5.4	$ 2.0	$ .7- 7.7	$ 3.0	$ .5- 4.8	$ 2.1	$ .8- 3.7	$ 2.1	$(.2)- 6.8	$ .6	$ 2.0- 5.0	$ 3.1

STORE EMPLOYEE PRODUCTIVITY BY GEOGRAPHIC (Federal Reserve District) AREA

(In Thousands of Dollars)

	NORTHEAST Boston, Philadelphia, New York, F.R. Dist.		SOUTHEAST Richmond, Atlanta F.R. Dist.		NORTH CENTRAL Cleveland, Chicago F.R. Dist.		CENTRAL St. Louis, Minneapolis, Kansas City F.R. Dist.		SOUTHWEST Dallas F.R. Dist.		WEST San Francisco F.R. Dist.	
	(22 Firms)		(29 Firms)		(31 Firms)		(25 Firms)		(16 Firms)		(15 Firms)	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
Average Total Sales Per Employee	$81.6-125.5	$ 96.4	$71.7- 87.8	$ 78.4	$68.4-128.0	$96.0	$70.6-110.8	$84.4	$67.5-102.9	$ 84.2	$75.5- 94.6	$ 84.5
Average Gross Margin Dollars Per Employee	$32.4- 57.0	$42.4	$32.3-43.7	$36.2	$33.2- 56.3	$42.5	$30.7- 49.6	$38.9	$29.1- 49.4	$38.1	$31.6- 45.6	$41.8
Average Operating Profit Dollars Per Employee	$(.8)- 7.1	$ 2.0	$ .6- 4.0	$ 1.9	$ 1.6- 6.7	$ 3.1	$ .9- 8.5	$ 3.1	$ .8- 5.3	$ 2.4	$(.2)- 2.5	$ 1.2

SALESPERSON PRODUCTIVITY AND COMPENSATION

Looking at sales productivity and compensation for sales employees, firms in Group II ($300,000-499,999) improved the typical volume per sales employee by 35 percent over sales reported for 1987. At the same time, these firms reported very little change in the typical pay per sales employee. Overall, sales volume per sales employee rose in three of the five volume groups and declined in two. Average pay per sales employee declined in three volume groups and increased in two. The changes in average compensation levels for each group were not remarkable.

Looking at these performance indicators by geographic area, all regions reported improvements in sales per sales employee with corresponding increases in the typical compensation per sales employee with the exception of firms in the North Central region, which showed a 10 percent decline in average pay per sales employee for 1988 compared with 1987. As with the ratio of total sales per total employees, firms in metropolitan areas of under 25,000 population showed the most dramatic improvement in sales per sales employee, increasing from a median $140,000 in 1987 to $175,800 in 1988.

SALES PRODUCTIVITY BY FIRM VOLUME
(in Thousands of Dollars)

Volume Group	AVERAGE SALES PER SALES EMPLOYEE		AVERAGE PAY PER SALES EMPLOYEE	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
Under $300,000	$ 89.9-197.1	$119.7	$ 7.5-16.9	$10.4
$300,000 to $499,999	$135.8-226.6	$192.0	$11.0-16.6	$12.9
$500,000 to $999,999	$122.0-249.8	$171.7	$12.6-22.1	$15.6
$1,000,000 to $3,499,999	$154.9-310.9	$201.1	$16.0-26.7	$20.3
$3,500,000 and over	$135.6-266.4	$177.2	$15.4-24.9	$17.5

SALES PRODUCTIVITY BY GEOGRAPHIC (Federal Reserve District) AREA
(in Thousands of Dollars)

Geographic Area	AVERAGE SALES PER SALES EMPLOYEE		AVERAGE PAY PER SALES EMPLOYEE	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
Northeast	$150.7-326.1	$208.4	$11.5-25.4	$18.7
Southeast	$135.4-208.7	$173.5	$14.7-23.1	$17.1
North Central	$134.8-308.3	$214.7	$12.6-23.0	$15.8
Central	$133.4-242.0	$192.4	$11.6-21.0	$15.4
Southwest	$114.3-290.4	$172.0	$11.1-25.7	$19.7
West	$133.2-216.1	$166.8	$13.5-22.6	$17.5

SALES PRODUCTIVITY BY METROPOLITAN (TRADING) AREA SIZE
(in Thousands of Dollars)

Metropolitan Size	AVERAGE SALES PER SALES EMPLOYEE		AVERAGE PAY PER SALES EMPLOYEE	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
Under 25,000	$115.4-219.3	$175.8	$ 8.9-17.1	$11.7
25,000 to 49,999	$121.3-203.0	$148.0	$11.1-16.7	$14.7
50,000 to 99,999	$131.1-238.2	$160.2	$13.4-19.9	$16.4
100,000 to 499,999	$156.8-293.2	$208.4	$16.6-26.5	$20.3
500,000 to 999,999	$166.0-332.0	$223.0	$13.9-30.8	$17.9
1,000,000 and over	$145.2-302.5	$214.7	$14.6-29.8	$23.1

1988 STORE OWNER COMPENSATION
(in Thousands of Dollars)

Firm Volume	Range of Common Experience	Median
Under $300,000	$ 2.1- 28.1	$19.2
$300,000 to $499,999	$16.3- 26.7	$19.9
$500,000 to $999,999	$26.0- 51.5	$40.0
$1,000,000 to $3,499,999	$34.9- 85.8	$63.0
$3,500,000 and over	$58.7-107.6	$74.0

Geographic Area	Range of Common Experience	Median
Northeast	$27.2-71.5	$55.6
Southeast	$34.9-93.3	$51.9
North Central	$25.8-84.9	$63.6
Central	$28.0-72.2	$51.8
Southwest	$22.6-81.3	$44.7
West	$17.9-38.4	$26.0

Metropolitan Size	Range of Common Experience	Median
Under 25,000	$18.9- 42.2	$24.7
25,000 to 49,999	$21.8- 50.1	$31.6
50,000 to 99,999	$26.5- 70.5	$53.5
100,000 to 499,999	$27.1- 74.6	$55.8
500,000 to 999,999	$51.6-127.3	$78.7
1,000,000 and over	$42.5-127.3	$81.3

1988 ALTERATION/TAILORING PERSONNEL COMPENSATION
(in Thousands of Dollars)

Firm Volume	Range of Common Experience	Median
Under $300,000	NA	NA
$300,000 to $499,999	$ 9.2-16.9	$15.1
$500,000 to $999,999	$ 9.6-19.4	$14.7
$1,000,000 to $3,499,999	$12.8-23.9	$18.1
$3,500,000 and over	$12.4-19.6	$17.2

Geographic Area	Range of Common Experience	Median
Northeast	$13.0-22.8	$19.4
Southeast	$10.8-16.9	$13.5
North Central	$15.0-26.0	$18.7
Central	$13.3-22.7	$17.8
Southwest	$10.0-20.5	$13.7
West	$12.5-18.8	$14.7

Metropolitan Size	Range of Common Experience	Median
Under 25,000	$ 6.8-20.1	$12.0
25,000 to 49,999	$10.4-15.0	$12.4
50,000 to 99,999	$13.4-20.4	$16.5
100,000 to 499,999	$12.4-19.1	$16.0
500,000 to 999,999	$10.7-17.2	$14.1
1,000,000 and over	$17.8-27.7	$19.7

1988 PROFIT AND MERCHANDISING INFORMATION FOR ALL FIRMS

Net profits before taxes slipped off the eight-year high of 2.8 percent of sales in 1987 to a median 2.7 percent of sales in 1988. However, the typical men's store kept net profits above the ten-year low of 2.2 percent of sales experienced in 1985. A smaller percentage of men's wear firms responding to the Annual Business Survey showed losses for the year. As shown below in the Profit Performance chart for 1988, 14 percent of firms responding to the Survey indicated a loss, compared with 19 percent of responding firms in 1987. The percentage of firms reporting a profit of up to 4.9 percent of sales increased to 59% of responding firms in 1988 versus 48 percent in 1987.

Gross margin hit a new ten-year high, increasing by 1.1 percentage points in 1988 to a median 45.3 percent of sales, compared with 44.2 percent in both 1987 and 1986. The previous ten-year high for gross margin was experienced in 1985 when the median experience was 44.4 percent of sales.

1987 PROFIT PERFORMANCE—ALL FIRMS

PROFIT PERCENTAGE	NUMBER OF FIRMS	PERCENTAGE OF TOTAL FIRMS
Loss (4.0) or more	5	3.6%
Loss (3.0)-(4.0)	1	.7
Loss (2.0)-(3.0)	6	4.3
Loss (1.0)-(2.0)	1	.7
Loss (.1)-(0.9)	7	5.0
0.0- 0.9	16	11.4
1.0- 1.9	21	15.0
2.0- 2.9	17	12.2
3.0- 3.9	16	11.4
4.0- 4.9	12	8.6
5.0- 5.9	8	5.7
6.0- 6.9	7	5.0
7.0- 7.9	2	1.4
8.0- 8.9	6	4.3
9.0- 9.9	5	3.6
10.0-10.9	—	—
11.0-11.9	2	1.4
12.0-12.9	2	1.4
13.0-13.9	2	1.4
14.0-14.9	—	—
15.0-15.9	1	.7
16.0 and over	3	2.2
	140	100.0%

MERCHANDISING

Men's clothing sales as a percent of total sales (p. 27) held fairly steady in 1988 compared with 1987, accounting for 41.0 percent of total sales versus 41.8 percent the previous year. Firms selling men's wear only saw the clothing classification bring in 48.4 percent of total store sales in 1988, up 4 percentage points from the 1987 experience of 44.4 percent of sales. Sales of men's suits as a percent of total store sales inched up to a median 17.8 percent from 17.2 percent of sales in 1987 for the typical firm.

Men's sport coats as a percent of total store sales fell off from a median 11.5 percent of sales in 1987 to a median 10.4 percent of sales in 1988. A parallel slackening of sport coat sales was experienced by firms handling men's wear only as well as firms which handle women's wear.

The All Firms experience for men's sportswear held steady in 1988 at a median 21.0 percent of total

sales, compared with 21.1 percent of sales in 1987. Within the sportswear department, men's sport shirts sales increased by eight-tenths of a percentage point to 7.6 percent of total store sales, compared with 6.8 percent in 1987. Sweaters, which have shown steady increases in recent years, accounted for a median 4.3 percent of store sales in 1988 versus 4.1 percent in 1987.

In men's furnishings, sales represented a median 17.8 percent of total store sales in 1988 versus 18.4 percent in 1987, reversing a two-year pattern of increases for this department. Dress shirt sales accounted for 6.7 percent of store sales in 1988 against 7.2 percent of sales in 1987 and Neckwear moved up slightly from 4.5 percent of store sales in 1987 to 4.9 percent of store sales in 1988.

The typical store handling women's wear saw sales in the women's department fall off from a median 17.3 percent of sales in 1987 to 16.6 percent of sales in 1988. In 1986, women's wear represented 20.6 percent of total store sales.

INVENTORY TURNOVER AND AVERAGE INITIAL MARKUP

The median annual stock turnover rate remained at a 1.9 times turn for the second consecutive year, still below the five-year high of a 2.3 times turn set in 1984 but above the five-year low of a 1.7 times turn reported in 1986. Firms handling men's wear only continued to improve their stock turn experience, increasing to a 1.8 times turn in 1988 versus a 1.7 times turn in 1987 and a 1.3 times turn in 1986. Firms handling women's wear fared slightly better than the All Firms experience, reporting a 2.0 times turn on inventory in 1988 versus a 1.9 times turn in 1987 and a 1.8 times turn in 1986.

Average Initial Markup for the typical men's wear store continued to creep up, hitting a median experience of 54.1 percent in 1988 against 54.0 percent in 1987. Over the last ten years, since 1979, average initial markup has increased every year except one, 1985, when it was off from the previous year by only one-tenth of a percent. In 1979, average initial markup was reported at a median 51.4 percent.

Within the merchandise classifications, average initial markup on men's clothing was reported at a median 54.1 percent, versus 54.3 percent in 1987. Average initial markup on men's sportswear in 1988 held the line at 54.8 percent, compared with 54.9 percent for the previous year. Men's furnishings took an average initial markup of a median 54.4 percent in 1988, up from 54.0 percent in 1987.

ALL FIRMS OPERATING EXPERIENCES
1988 AVERAGE INITIAL MARKUP BY MERCHANDISE CLASSIFICATION*

(Classification Numbers, 010-890, are taken from MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual.")	ALL FIRMS (68 Firms)		YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (29 Firms)		FIRMS HANDLING WOMEN'S WEAR (39 Firms)	
	Range of Common Experience	Median Firm		Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
MEN'S CLOTHING (010-090)							
Total Men's Clothing	52.0-56.1	54.1	_____	52.0-56.6	53.9	52.0-55.9	54.2
MEN'S SPORTSWEAR (100-250)							
Total Men's Sportswear	52.3-56.3	54.8	_____	52.5-56.4	54.7	52.1-56.1	54.9
MEN'S FURNISHINGS (260-295)							
Total Men's Furnishings	52.7-56.5	54.4	_____	53.6-57.1	54.4	52.5-55.9	54.5
BOYS' AND TEENS' (400-560)							
Total Boys' and Teens'	48.0-53.1	51.4	_____	49.2-56.6	53.0	48.0-52.0	51.0
MEN'S AND BOYS' SHOES (570-595)							
Total Men's and Boys' Shoes	50.3-53.4	51.5	_____	48.0-53.4	50.8	50.4-53.4	51.5
WOMEN'S (Misses and Juniors) WEAR (600-773)							
Total Women's Wear	51.9-56.3	53.3	_____	NA	NA	51.9-56.3	53.3
WESTERN WEAR (810-890)							
Total Western Wear	NA	NA	_____	NA	NA	NA	NA
OVERALL TOTAL	52.0-55.6	54.1	_____	52.8-56.8	54.3	51.9-55.2	53.9

*For each major department, only those stores reporting that classification are included in the tabulation.
Average Initial markup is the percent difference between the cost of goods purchased (including freight cost) and the original retail price, divided by the original retail price. For this purpose cash discounts are not subtracted.

SHRINKAGE

The median annual shrinkage rate fell off to a median 1.1 percent of sales for the typical firm in 1988, against 1.5 percent of sales in 1987 and 1.2 percent of sales in 1986. Firms handling men's wear only reported shrinkage losses at .9 percent of sales, compared with .6 percent of sales in 1987 and 1.3 percent of sales in 1986. Firms handling women's wear also experienced less shrinkage in 1988, bringing these losses down to 1.1 percent of sales against 1.6 percent of sales in 1987 and 1.2 percent of sales in 1986.

Shrinkage losses were attributed most heavily to the men's furnishings department, which represented a median 28.7 percent of total store shrinkage. Men's sportswear came in a close second, experiencing 27.4 percent of total store shrinkage. Men's clothing represented 21 percent of total shrinkage. In 1987, the allocations were reversed, with the clothing department experiencing the heaviest losses, followed by sportswear and then furnishings.

SHRINKAGE BY MAJOR DEPARTMENT AS A PERCENTAGE OF TOTAL SHRINKAGE

Major Department	ALL FIRMS (36 Firms)		
	Range of Common Experience	Median Firm	YOUR FIRM
Men's Clothing	4.6-35.7	21.0	_____ %
Men's Sportswear	8.3-41.5	27.4	_____ %
Men's Furnishings	15.1-46.7	28.7	_____ %
Boys' and Teens'	2.8-26.4	12.2	_____ %
Men's and Boys' Shoes	1.9-13.1	6.5	_____ %
Women's Wear	13.1-44.1	28.2	_____ %

LEASED DEPARTMENT SALES AS A PERCENT OF TOTAL FIRM SALES

Leased Department	Range of Common Experience	Median
Shoes	4.0-12.0	7.6
Women's Wear	3.4-19.4	11.8
Tuxedo Rental	1.2- 4.8	3.4
Miscellaneous* firm sales	NA	NA
Overall Total	3.6-12.5	7.6

*Miscellaneous leased departments include hobby shops, plants, hats, men's hairpiece, beauty and barber, jewelry, luggage, and ski and sports equipment shops.

ALL FIRMS OPERATING EXPERIENCES

1988 MERCHANDISING AND PRODUCTIVITY DATA

	ALL FIRMS (140 Firms)			FIRMS HANDLING MEN'S WEAR ONLY (64 Firms)		FIRMS HANDLING WOMEN'S WEAR (74 Firms)	
	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
SALES DATA							
Increase in total net sales from last year	(2.4)- 9.3	3.6	____ %	(3.3)- 9.5	4.8	(1.7) - 9.3	2.3
Sales per square foot of total store area in dollars	$100.0 - 241.9	$152.4	_____	$98.6 - 247.6	$135.4	$109.4 - 242.3	$164.7
SELLING AND ADVERTISING COST							
Selling payroll, percent of net sales excluding leased departments	7.7 - 11.3	9.5	_____	7.0 - 10.9	9.5	8.5 - 12.3	9.6
Advertising percent of net sales excluding leased departments	2.4 - 4.2	3.2	_____	2.4 - 4.6	3.4	2.4 - 4.1	3.1
MERCHANDISING DATA							
Annual stock turn, number of times at retail	1.4 - 2.4	1.9	_____	1.4 - 2.7	1.8	1.5 - 2.4	2.0
Transportation in charges on goods purchased as a percent of total sales	.5 - 1.1	.9	_____	.3 - 1.4	.9	.6 - 1.1	.9
Beginning 1988 inventory as a percent of 1987 sales	17.9 - 28.9	22.0	_____	18.9 - 32.8	23.4	17.2 - 26.7	21.3
Ending 1988 inventory as a percent of 1988 sales	17.2 - 31.3	23.0	_____	20.2 - 34.1	25.8	15.5 - 30.2	20.8
ALTERATION DATA AND COST							
Net workroom cost, percent of net sales excluding leased departments	1.4 - 3.3	2.3	_____	1.4 - 3.4	2.3	1.8 - 3.3	2.4
Net alterations cost, percent of men's clothing sales	5.0 - 8.5	6.6	_____	4.3 - 6.8	6.0	5.2 - 9.6	7.8
Income from alterations, percent of net sales excluding leased departments	.3 - .7	.5	_____	.3 - .8	.5	.3 - .6	.5
PROFIT AND FINANCIAL DATA							
Income from leased departments, percent of leased departments sales	12.8 - 25.0	15.3	_____	13.0 - 32.4	15.2	12.5 - 20.8	15.5
Cash discounts earned as % of net sales	.3 - .9	.6	_____	.2 - .5	.3	.5 - 1.3	.8
Net profit on net sales	.8 - 5.5	2.7	_____	.8 - 5.7	3.1	.9 - 4.2	2.4
Net profit on net worth	3.9 - 24.8	11.0	_____	3.6 - 29.7	11.5	4.0 - 17.7	9.4
Net profit on net working capital	3.6 - 22.3	10.2	_____	3.1 - 24.2	10.3	3.8 - 19.4	9.4

ALL FIRMS OPERATING EXPERIENCES

1988 PERCENTAGE DISTRIBUTION OF TOTAL SALES BY MERCHANDISE CLASSIFICATION*

(Classification Numbers, 010-890, are taken from MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual.")	ALL FIRMS (86 Firms)			FIRMS HANDLING MEN'S WEAR ONLY (37 Firms)		FIRMS HANDLING WOMEN'S WEAR (49 Firms)	
	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
MEN'S CLOTHING							
010 Men's Suits	11.3-26.6	17.8	____%	14.1-32.4	19.4	8.8-23.7	15.8
040 Men's Coats	1.0- 3.1	2.2	_____	1.8- 3.8	2.6	.8- 2.9	1.2
060 Sport Coats	7.2-13.1	10.4	_____	8.8-13.9	11.9	5.6-12.6	8.5
080 Dress Slacks	5.8-10.0	8.0	_____	7.4-10.8	8.9	4.7- 9.1	6.9
Total Men's Clothing	25.6-53.7	41.0	_____	34.4-57.7	48.4	21.5-48.9	34.2
MEN'S SPORTSWEAR							
100 Sport Shirts	4.3-10.3	7.6	_____	4.4-10.8	8.8	4.3- 9.6	6.5
130 Sweaters	2.8- 6.0	4.3	_____	3.6- 7.0	5.3	2.5- 4.9	3.5
150 Actionwear	1.0- 3.3	1.7	_____	1.0- 4.6	2.5	.9- 2.9	1.6
180 Casual Slacks	2.0- 5.4	4.2	_____	3.4- 5.8	5.0	1.3- 5.2	2.8
200 Jeans	.9- 4.4	2.5	_____	.8- 7.3	2.9	.9- 3.6	2.1
220 Jackets & Heavy Outerwear	1.8- 5.1	3.5	_____	2.4- 7.0	4.2	1.7- 3.9	2.3
240 Coordinated Leisurewear	.5- 2.4	.9	_____	.4- 2.5	.8	.7- 2.4	1.1
Total Men's Sportswear	13.4-28.6	21.0	_____	16.2-34.7	25.2	12.3-25.4	17.9
MEN'S FURNISHINGS							
260 Dress Shirts	4.9- 8.0	6.7	_____	6.4- 9.8	7.1	4.5- 7.0	6.4
290 Neckwear	3.2- 6.3	4.9	_____	3.3- 6.9	5.1	3.0- 6.1	4.6
300 Hosiery	.9- 1.6	1.2	_____	1.1- 1.7	1.4	.8- 1.3	1.0
310 Men's Belts	.8- 1.4	1.0	_____	1.0- 1.5	1.2	.6- 1.3	.9
320 Men's Accessories	1.2- 2.9	1.8	_____	1.2- 2.9	1.8	1.2- 2.8	1.8
340 Underwear	.4- 1.6	1.0	_____	.7- 2.2	1.5	.3- 1.3	.6
360 Sleepwear	.3- .8	.6	_____	.5- 1.0	.7	.3- .7	.4
380 Men's Headwear	.2- .6	.5	_____	.3- .8	.6	.1- .5	.3
Total Men's Furnishings	14.2-21.7	17.8	_____	16.8-23.3	20.3	13.3-19.7	15.9
BOYS' AND TEENS'							
400–440 Clothing	.2- 1.5	.8	_____	NA	NA	.4- 1.5	1.1
450–510 Sportswear	.6- 4.2	1.1	_____	NA	NA	.4- 2.8	1.0
520–560 Furnishings	.4- 3.0	1.4	_____	NA	NA	.5- 2.8	1.4
Total Boys' and Teens'	1.0- 7.2	2.6	_____	1.7-17.6	2.7	.8- 7.5	2.5
MEN'S AND BOYS' SHOES							
570–595	3.1- 6.5	5.0	_____	3.4- 8.8	5.4	3.0- 5.7	4.3
WOMEN'S WEAR							
600–699 Misses	14.4-33.4	23.3	_____	NA	NA	14.4-33.4	23.3
700–773 Junior	4.7-25.0	10.0	_____	NA	NA	4.7-25.0	10.0
Total Women's Wear	11.0-35.2	16.6	_____	NA	NA	11.0-35.2	16.6
WESTERN WEAR							
810–890	1.5- 7.9	3.8	_____	NA	NA	NA	NA
OVERALL TOTAL		100.0	_____		100.0		100.0

*For each merchandise classification, only those stores reporting that classification are included in the tabulation.

ALL FIRMS OPERATING EXPERIENCES

1988 PERCENTAGE DISTRIBUTION OF SALES WITHIN MAJOR DEPARTMENTS BY MERCHANDISE CLASSIFICATION*

Percentage Distribution of Men's Clothing Sales by Merchandise Classification**	ALL FIRMS (78 Firms) Range of Common Experience	ALL FIRMS (78 Firms) Median Firm	YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (35 Firms) Range of Common Experience	FIRMS HANDLING MEN'S WEAR ONLY (35 Firms) Median Firm	FIRMS HANDLING WOMEN'S WEAR (43 Firms) Range of Common Experience	FIRMS HANDLING WOMEN'S WEAR (43 Firms) Median Firm
MEN'S CLOTHING							
010 Men's Suits	40.4-52.6	47.0	____%	40.5-54.8	47.0	39.0-51.4	47.0
040 Men's Coats	3.4- 7.7	5.2	_____	3.6- 8.0	5.7	2.4- 7.3	4.8
060 Sport Coats	21.4-30.3	26.7	_____	21.6-29.9	26.6	19.7-32.9	26.8
080 Dress Slacks	15.3-28.1	20.2	_____	14.7-25.4	19.4	16.3-29.8	21.6
Total Men's Clothing		100.0	_____		100.0		100.0
Percentage Distribution of Men's Sportswear Sales by Merchandise Classification**	**Range of Common Experience**	**Median Firm**	**YOUR FIRM**	**Range of Common Experience**	**Median Firm**	**Range of Common Experience**	**Median Firm**
MEN'S SPORTSWEAR							
100 Sport Shirts	24.3-40.6	34.1	____%	24.0-35.6	33.2	24.8-44.5	36.5
130 Sweaters	14.2-26.1	18.3	_____	14.1-24.4	21.3	14.2-26.5	16.7
150 Actionwear	5.7-12.7	9.2	_____	4.5-12.2	6.9	5.8-13.2	9.7
180 Casual Slacks	10.9-22.1	16.7	_____	11.2-22.9	17.2	10.4-22.6	15.9
200 Jeans	3.5-15.4	8.2	_____	3.0-15.4	10.4	3.7-15.4	7.8
220 Jackets & Heavy Outerwear	9.9-18.5	14.5	_____	10.7-19.6	14.6	9.7-18.4	14.5
240 Coordinated Leisurewear	1.9- 8.8	3.7	_____	1.5- 7.4	3.3	2.7- 9.3	4.5
Total Men's Sportswear		100.0	_____		100.0		100.0
Percentage Distribution of Men's Furnishings Sales by Merchandise Classification**	**Range of Common Experience**	**Median Firm**	**YOUR FIRM**	**Range of Common Experience**	**Median Firm**	**Range of Common Experience**	**Median Firm**
MEN'S FURNISHINGS							
260 Dress Shirts	32.1-41.8	37.4	____%	33.1-45.0	37.4	32.1-40.0	37.0
290 Neckwear	20.1-34.6	28.8	_____	18.8-34.2	26.9	21.0-34.7	29.0
300 Hosiery	4.9- 8.2	6.7	_____	5.3- 8.2	7.2	4.8- 8.6	6.1
310 Men's Belts	4.7- 7.9	6.0	_____	4.5- 7.9	6.4	4.8- 8.3	5.9
320 Men's Accessories	7.8-15.1	10.8	_____	7.4-12.7	9.9	7.7-17.5	11.2
340 Underwear	2.3- 9.2	6.0	_____	3.2- 9.9	7.5	2.3- 8.1	4.6
360 Sleepwear	1.9- 4.4	3.1	_____	2.2- 5.7	3.5	1.9- 4.1	3.0
380 Men's Headwear	1.0- 3.8	2.4	_____	2.0- 4.1	2.6	.5- 3.4	1.8
Total Men's Furnishings		100.0	_____		100.0		100.0

*For each merchandise category, only those stores reporting that category are included in the tabulation.

**Classification numbers are those used in MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual."

ALL FIRMS OPERATING EXPERIENCES

1988 PERCENTAGE DISTRIBUTION OF AVERAGE INVENTORY WITHIN MAJOR DEPARTMENTS BY MERCHANDISE CLASSIFICATION*

Percentage Distribution of Men's Clothing Sales by Merchandise Classification**	ALL FIRMS (45 Firms) Range of Common Experience	ALL FIRMS (45 Firms) Median Firm	YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (18 Firms) Range of Common Experience	FIRMS HANDLING MEN'S WEAR ONLY (18 Firms) Median Firm	FIRMS HANDLING WOMEN'S WEAR (27 Firms) Range of Common Experience	FIRMS HANDLING WOMEN'S WEAR (27 Firms) Median Firm
MEN'S CLOTHING							
010 Men's Suits	43.1-53.1	45.8	____ %	40.1-53.4	45.9	43.1-55.0	45.7
040 Men's Coats	3.1- 6.4	4.8	_____	3.5- 6.4	4.9	2.7- 6.3	4.6
060 Sport Coats	23.8-34.4	29.3	_____	25.7-34.3	29.8	22.9-34.6	29.3
080 Dress Slacks	13.8-25.3	19.1	_____	12.6-25.2	16.9	15.5-26.6	19.2
Total Men's Clothing		100.0	_____		100.0		100.0
Percentage Distribution of Men's Sportswear Sales by Merchandise Classification**	**Range of Common Experience**	**Median Firm**	**YOUR FIRM**	**Range of Common Experience**	**Median Firm**	**Range of Common Experience**	**Median Firm**
MEN'S SPORTSWEAR							
100 Sport Shirts	19.4-29.3	27.9	____ %	17.0-33.6	27.2	21.8-44.6	34.6
130 Sweaters	11.5-22.9	17.4	_____	10.7-23.2	19.3	11.7-22.9	15.0
150 Actionwear	4.3-12.7	7.7	_____	3.8-13.9	7.3	5.5-12.7	8.2
180 Casual Slacks	13.1-25.3	17.8	_____	10.9-26.2	17.5	13.8-24.7	18.2
200 Jeans	4.4-19.1	13.3	_____	5.6-22.8	14.6	2.9-19.1	9.7
220 Jackets & Heavy Outerwear	10.2-17.6	14.4	_____	10.7-18.0	14.7	9.5-17.4	14.4
240 Coordinated Leisurewear	.7-10.8	3.4	_____	.7- 7.8	2.8	.8-14.7	3.8
Total Men's Sportswear		100.0	_____		100.0		100.0
Percentage Distribution of Men's Furnishings Sales by Merchandise Classification**	**Range of Common Experience**	**Median Firm**	**YOUR FIRM**	**Range of Common Experience**	**Median Firm**	**Range of Common Experience**	**Median Firm**
MEN'S FURNISHINGS							
260 Dress Shirts	32.1-42.8	39.4	____ %	30.1-46.0	39.6	32.5-41.7	39.4
290 Neckwear	14.9-27.5	21.4	_____	14.4-25.5	17.2	15.5-29.4	21.9
300 Hosiery	4.2- 6.7	5.7	_____	4.6- 7.2	6.4	4.2- 6.5	5.2
310 Men's Belts	4.9- 8.5	7.2	_____	4.9- 9.5	8.1	4.9- 7.8	6.8
320 Men's Accessories	9.5-19.9	14.0	_____	9.2-15.9	13.9	9.7-21.0	14.8
340 Underwear	3.6-12.8	6.8	_____	4.6-14.1	11.2	3.1- 8.1	5.6
360 Sleepwear	1.9- 6.3	3.6	_____	2.1- 7.2	5.8	1.9- 5.1	3.1
380 Men's Headwear	1.4- 4.8	3.7	_____	2.9- 6.1	4.5	.8- 3.9	2.5
Total Men's Furnishings		100.0	_____		100.0		100.0

*For each merchandise category, only those stores reporting that category are included in the tabulation.

**Classification numbers are those used in MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual."

ALL FIRMS OPERATING EXPERIENCES
PERCENTAGE INCREASE OR (DECREASE) IN SALES BY MERCHANDISE CLASSIFICATION
FROM 1987 TO 1988*

(Classification Numbers, 010-890, are taken from MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual.")	ALL FIRMS (75 Firms)		YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (32 Firms)		FIRMS HANDLING WOMEN'S WEAR (43 Firms)	
	Range of Common Experience	Median Firm		Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
MEN'S CLOTHING							
010 Men's Suits	.1 - 13.3	5.2	____%	.2 - 14.2	9.7	(.1)- 11.5	2.7
040 Men's Coats	(9.9)- 25.3	3.3	____	(2.6)- 34.6	19.4	(14.7)- 12.4	(3.0)
060 Sport Coats	(11.3)- 5.0	(1.4)	____	(11.4)- 7.3	(1.4)	(11.3)- 4.7	(1.4)
080 Dress Slacks	(5.4)- (8.5)	1.2	____	(6.0)- 7.7	2.0	(5.6)- 9.8	.5
Total Men's Clothing	(3.0)- 8.5	1.9	____	(2.0)- 9.6	2.6	(3.3)- 7.6	1.5
MEN'S SPORTSWEAR							
100 Sport Shirts	(7.1)- 14.7	1.1	____	(3.6)- 16.8	2.8	(7.8)- 12.1	.2
130 Sweaters	(6.8)- 18.5	8.0	____	(8.2)- 15.9	8.4	(6.4)- 21.8	7.4
150 Actionwear	(5.3)- 23.8	5.9	____	(11.0)- 50.5	15.5	(5.3)- 13.5	3.9
180 Casual Slacks	(5.1)- 27.0	3.7	____	(1.2)- 32.1	8.7	(6.7)- 23.8	(1.4)
200 Jeans	(23.7)- 6.9	(7.1)	____	(37.2)- 6.9	(4.4)	(22.3)- 6.0	(7.3)
220 Jackets & Heavy Outerwear	(6.9)- 27.9	14.5	____	(12.9)- 30.0	10.3	(.9)- 27.7	16.6
240 Coordinated Leisurewear	(25.9)- 35.1	1.5	____	(66.7)- 136.4	(6.5)	(24.7)- 55.1	2.3
Total Men's Sportswear	(2.2)- 12.3	6.9	____	.7 - 15.7	8.2	(2.6)- 11.7	4.6
MEN'S FURNISHINGS							
260 Dress Shirts	(3.6)- 8.3	3.9	____	(2.2)- 8.9	6.6	(4.5)- 7.8	1.6
290 Neckwear	(.4)- 14.5	7.9	____	3.4 - 15.2	10.4	(2.1)- 13.4	6.0
300 Hosiery	.2- 18.7	8.6	____	.1 - 18.7	7.4	.3 - 19.5	8.7
310 Men's Belts	(.3)- 22.0	12.1	____	10.0 - 33.3	17.1	(2.5)- 15.7	7.6
320 Men's Accessories	(9.1)-27.0	7.2	____	(9.1)- 28.3	8.2	(8.5)- 25.7	5.3
340 Underwear	(15.5)- 2.7	(6.0)	____	(22.7)- 5.8	(2.8)	(12.5)- 2.6	(6.5)
360 Sleepwear	(10.2)- 20.4	2.0	____	(8.6)- 24.2	3.8	(12.1)- 20.4	(2.5)
300 Men's Headwear	(25.6)- 14.3	(2.5)	____	(24.2)- 26.1	.3	(36.4)- 14.2	(6.5)
Total Men's Furnishings	(1.4)- 10.1	3.8	____	2.0 - 12.0	6.9	(3.5)- 8.9	1.3
BOYS' AND TEENS'							
400–440 Clothing	(79.1)- 9.6	(11.5)	____	NA	NA	(79.1)- 17.3	(.6)
450–510 Sportswear	(85.8)- .5	(9.3)	____	NA	NA	(85.8)- .5	(8.4)
520–560 Furnishings	(62.5)- 79.4	9.3	____	NA	NA	(48.0)- 79.4	22.5
Total Boys' and Teens'	(63.5)- 10.6	(14.5)	____	(10.0)- 11.8	(14.5)	(52.4)- 9.6	(20.9)
MEN'S AND BOYS' SHOES							
570–595	(3.0)- 20.6	6.6	____	(8.6)-(24.5)	5.6	(2.1)- 19.9	7.9
WOMEN'S WEAR							
600–699 Misses	(1.5)- 17.0	3.5	____	NA	NA	(1.5)- 17.0	3.5
700–773 Junior	(2.8)- 11.3	1.6	____	NA	NA	(2.8)- 11.3	1.6
Total Women's Wear	(7.3)- 7.9	2.4	____	NA	NA	(7.3)- 7.9	2.4
WESTERN WEAR							
810-890	(57.7)- .1	(11.5)	____	NA	NA	NA	NA
OVERALL TOTAL	(2.7)- 8.8	3.7	____	(1.8)- 10.1	5.6	(2.7) - 7.3	2.2

*For each merchandise classification, only those stores reporting that classification are included in the tabulation. Overall total reflects median experience of firms providing detailed data by class only.

ALL FIRMS OPERATING EXPERIENCES

1988 MARKDOWNS AS A PERCENTAGE OF MERCHANDISE CLASSIFICATION SALES*

(Classification Numbers, 010-890, are taken from MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual.")	ALL FIRMS (64 Firms)		YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (23 Firms)		FIRMS HANDLING WOMEN'S WEAR (40 Firms)	
	Range of Common Experience	Median Firm		Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
MEN'S CLOTHING							
010 Men's Suits	10.6-20.1	15.9	____ %	11.9-19.9	17.0	9.6-20.6	14.4
040 Men's Coats	10.7-26.4	17.2	____	15.5-36.7	23.0	9.5-21.9	13.6
060 Sport Coats	13.7-27.6	17.6	____	14.1-28.6	17.6	13.2-27.0	17.5
080 Dress Slacks	9.4-18.1	13.1	____	10.3-19.6	14.0	8.4-16.9	11.6
Total Men's Clothing	11.1-21.9	16.1	____	12.4-22.2	16.8	10.1-21.3	15.2
MEN'S SPORTSWEAR							
100 Sport Shirts	12.2-22.7	16.9	____	14.0-27.6	19.0	9.3-21.6	15.4
130 Sweaters	11.2-24.7	16.4	____	11.6-24.8	18.1	11.2-22.0	15.7
150 Actionwear	11.2-24.4	18.9	____	17.9-32.0	22.5	8.7-22.3	14.6
180 Casual Slacks	9.3-21.2	14.0	____	12.5-23.2	14.5	7.8-20.2	13.4
200 Jeans	7.3-21.8	13.7	____	10.3-24.0	15.7	5.2-21.3	9.8
220 Jackets & Heavy Outerwear	13.5-27.2	19.2	____	14.6-38.3	21.7	12.1-24.6	18.6
240 Coordinated Leisurewear	13.5-29.4	16.5	____	13.7-29.4	16.1	10.4-32.9	18.6
Total Men's Sportswear	12.8-22.4	17.6	____	15.8-24.0	19.0	11.4-20.8	17.2
MEN'S FURNISHINGS							
260 Dress Shirts	8.0-15.6	10.9	____	9.7-17.8	11.5	6.3-14.8	10.2
290 Neckwear	7.3-14.5	10.6	____	8.8-19.1	13.3	6.0-12.5	8.8
300 Hosiery	2.7- 7.8	5.5	____	3.6-11.8	7.0	2.5- 7.0	5.5
310 Men's Belts	2.2- 8.3	4.0	____	2.3- 9.6	3.4	1.9- 8.1	4.3
320 Men's Accessories	4.1- 9.7	6.7	____	4 1-10.1	7.0	4.1- 9.6	5.7
340 Underwear	3.3-10.4	6.7	____	3.3-17.9	8.3	3.2- 9.4	6.3
360 Sleepwear	3.2-16.8	8.4	____	7.5-21.2	12.1	2.2-10.9	6.2
380 Men's Headwear	4.7-31.8	15.5	____	6.4-35.0	17.9	4.4-29.1	14.3
Total Men's Furnishings	6.7-13.3	9.7	____	8.4-14.4	11.2	6.3-12.8	9.1
BOYS' AND TEENS'							
400–440 Clothing	6.1-46.6	12.2	____	NA	NA	4.8-46.6	10.6
450–510 Sportswear	7.9-45.9	15.1	____	NA	NA	6.9-89.0	13.0
520–560 Furnishings	2.4-45.2	9.5	____	NA	NA	2.4-45.2	10.6
Total Boys' and Teens'	7.0-40.1	13.9	____	NA	NA	6 7-47.2	13.9
MEN'S AND BOYS' SHOES							
570–595	10.2-20.2	15.0	____	10.2-28.3	18.5	9.7-18.9	13.2
WOMEN'S WEAR							
600–699 Misses	17.8-28.7	25.1	____	NA	NA	17.8-28.7	25.1
700–773 Junior	21.9-36.9	27.0	____	NA	NA	21.9-36.9	27.0
Total Women's Wear	18.1-32.3	25.6	____	NA	NA	18.1-32.3	25.6
WESTERN WEAR							
810–890	NA	NA	____	NA	NA	NA	NA
OVERALL TOTAL	12.9-21.1	15.3	____	13.2-21.5	15.7	12.7-19.4	15.3

*For each merchandise classification, only those stores reporting that classification are included in the tabulation.

1988 AVERAGE INVENTORY BY MERCHANDISE CLASSIFICATION AS A PERCENTAGE OF TOTAL AVERAGE INVENTORY*

(Classification Numbers, 010-890, are taken from MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual.")	ALL FIRMS (50 Firms)		YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (19 Firms)		FIRMS HANDLING WOMEN'S WEAR (31 Firms)	
	Range of Common Experience	Median Firm		Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
MEN'S CLOTHING							
010 Men's Suits	12.3-30.2	20.9	____%	12.2-30.4	23.3	11.9-29.8	17.9
040 Men's Coats	1.1- 3.0	1.8	____	1.6- 3.3	2.7	1.0- 2.5	1.3
060 Sport Coats	7.6-15.8	12.8	____	9.8-17.9	15.4	5.9-14.3	9.3
080 Dress Slacks	5.5-10.2	7.1	____	6.5-10.5	8.8	4.9- 9.6	5.6
Total Men's Clothing	28.8-58.8	45.0	____	37.8-59.1	51.7	26.1-56.2	36.9
MEN'S SPORTSWEAR							
100 Sport Shirts	3.3- 8.6	5.7	____	3.3- 8.6	6.4	3.2- 8.6	4.3
130 Sweaters	2.1- 5.1	3.0	____	2.4- 5.9	4.7	2.1- 4.0	2.8
150 Actionwear	.7- 2.9	1.5	____	.7- 3.3	1.7	.6- 2.6	1.3
180 Casual Slacks	2.7- 5.7	3.0	____	3.4- 5.6	3.9	1.8- 6.2	3.1
200 Jeans	1.0- 4.2	3.0	____	1.7- 6.8	2.7	.5- 4.1	3.2
220 Jackets & Heavy Outerwear	1.6- 4.2	2.6	____	2.1- 4.7	3.1	1.5- 3.7	2.3
240 Coordinated Leisurewear	.3- 2.7	.7	____	.1- 2.3	.6	.5- 3.1	1.4
Total Men's Sportswear	10.9-24.5	18.7	____	13.6-26.4	20.8	10.1-22.7	18.1
MEN'S FURNISHINGS							
260 Dress Shirts	5.0- 8.5	6.6	____	5.9- 9.3	7.4	4.6- 8.3	6.0
290 Neckwear	2.6- 4.9	4.0	____	2.6- 5.3	4.0	2.6- 4.9	4.0
300 Hosiery	.7- 1.3	1.0	____	.8- 1.4	1.2	.6- 1.1	.8
310 Men's Belts	.9- 1.5	1.1	____	1.0- 1.8	1.5	.8- 1.4	1.0
320 Men's Accessories	1.8- 3.5	2.7	____	1.9- 3.6	2.7	1.7- 3.5	2.7
340 Underwear	.6- 2.2	1.2	____	.8- 2.8	2.2	.6- 1.4	1.0
360 Sleepwear	.4- 1.1	.6	____	.4- 1.6	1.2	.3- .7	.5
380 Men's Headwear	.3- 1.0	.6	____	.4- 1.2	.9	.2- .6	.4
Total Men's Furnishings	14.2-22.4	18.9	____	15.1-23.0	20.2	14.0-20.7	18.9
BOYS' AND TEENS'							
400–440 Clothing	.4- 3.8	.9	____	NA	NA	.5- 3.8	1.2
450–510 Sportswear	.9- 5.7	1.8	____	NA	NA	.7- 3.8	1.8
520–560 Furnishings	.6- 5.5	2.3	____	NA	NA	.8-11.5	2.3
Total Boys' and Teens'	1.6-10.4	4.1	____	1.1-13.4	4.9	2.4-10.4	4.1
MEN'S AND BOYS' SHOES							
570–595	4.2-10.4	6.6	____	4.7-13.3	6.7	4.2- 8.2	6.3
WOMEN'S WEAR							
600–699 Misses	8.2-21.9	16.6	____	NA	NA	8.2-21.7	16.6
700–773 Junior	NA	NA	____	NA	NA	NA	NA
Total Women's Wear	7.3-23.8	13.4	____	NA	NA	7.3-23.8	13.4
WESTERN WEAR							
810–890	NA	NA	____	NA	NA	NA	NA
OVERALL TOTAL		100.0	____		100.0		100.0

*For each merchandise classification, only those stores reporting that classification are included in the tabulation.

ALL FIRMS OPERATING EXPERIENCES

1988 INVENTORY TURNOVER BY MERCHANDISE CLASSIFICATION*

(Classification Numbers, 010-890, are taken from MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual.")	ALL FIRMS (50 Firms)			FIRMS HANDLING MEN'S WEAR ONLY (19 Firms)		FIRMS HANDLING WOMEN'S WEAR (31 Firms)	
	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
MEN'S CLOTHING							
010 Men's Suits	1.2-2.1	1.4	____ %	1.1-2.1	1.3	1.2-2.0	1.6
040 Men's Coats	1.2-2.2	1.6	_____	1.2-2.2	1.6	1.2-2.2	1.6
060 Sport Coats	1.1-1.7	1.4	_____	1.1-1.7	1.4	1.2-1.7	1.4
080 Dress Slacks	1.4-2.2	1.7	_____	1.3-2.3	1.7	1.4-2.2	1.7
Total Men's Clothing	1.2-1.9	1.5	_____	1.2-2.0	1.5	1.2-1.9	1.6
MEN'S SPORTSWEAR							
100 Sport Shirts	1 8-3.6	2.4	_____	1.6-3.4	2.5	1.9-3.8	2.4
130 Sweaters	1.6-3.5	2.4	_____	1.4-3.5	2.5	1.7-3.4	2.3
150 Actionwear	1.6-3.6	2.5	_____	1.5-3.6	2.4	1.7-3.7	2.7
180 Casual Slacks	1.7-2.4	2.1	_____	1.7-2.4	2.2	1.6-2.7	2.0
200 Jeans	1.1-2.5	1.7	_____	1.3-3.1	2.4	1.0-2.2	1.6
220 Jackets & Heavy Outerwear	1.2-3.4	2.4	_____	1.1-3.4	2.6	1.4-3.4	2.2
240 Coordinated Leisurewear	1.3-3.4	2.0	_____	1.5-3.7	2.7	1.1-2.3	1.6
Total Men's Sportswear	1.6-3.1	2.2	_____	1.5-3.1	2.5	1.6-3.2	2.1
MEN'S FURNISHINGS							
260 Dress Shirts	1.2-2.1	1.8	_____	1.3-2.2	1.5	1.2-2.1	1.8
290 Neckwear	1.6-2.9	2.1	_____	1.6-3.1	1.8	1.6-2.8	2.2
300 Hosiery	1.4-2.5	2.0	_____	1.2-2.9	1.5	1.8-2.5	2.1
310 Men's Belts	1.2-1.9	1.6	_____	1.0-2.4	1.2	1.3-1.9	1.6
320 Men's Accessories	1.0-2.0	1.5	_____	1.0-1.9	1.2	1.1-2.2	1.5
340 Underwear	.8-1.6	1.3	_____	.8-1.6	1.3	1.0-1.6	1.2
360 Sleepwear	1.0-2.3	1.4	_____	.9-2.4	1.7	1.0-2.2	1.4
380 Men's Headwear	.7-2.0	1.1	_____	.6-1.9	.8	.9-2.0	1.2
Total Men's Furnishings	1.3-2.2	1.7	_____	1.3-2.4	1.7	1.3-2.2	1.8
BOYS' AND TEENS'							
400–440 Clothing	.7-2.2	1.5	_____	NA	NA	1.1-2.2	1.6
450–510 Sportswear	.6-3.1	1.1	_____	NA	NA	.5-1.3	1.0
520–560 Furnishings	.7-2.5	1.5	_____	NA	NA	.5-5.3	1.5
Total Boys' and Teens'	1.0-3.5	1.5	_____	1.5-4.1	2.7	.9-2.6	1.4
MEN'S AND BOYS' SHOES							
570–595	1.0-1.6	1.4	_____	1.2-1.6	1.6	.9-1.7	1.3
WOMEN'S WEAR							
600–699 Misses	2.1-3.5	2.3	_____	NA	NA	2.1-3.5	2.3
700–773 Junior	NA	NA	_____	NA	NA	NA	NA
Total Women's Wear	1.7-2.9	2.1	_____	NA	NA	1.7-2.9	2.1
WESTERN WEAR							
810–890	NA	NA	_____	NA	NA	NA	NA
OVERALL TOTAL	1.4-2.3	1.9	_____	1.3-2.4	1.8	1.4-2.4	2.0

*For each merchandise classification, only those stores reporting that classification are included in the tabulation.
Inventory turnover is the number of times during a given period, in this case one year, that the average inventory on hand at retail has been sold and replaced. The rate of turnover is computed by dividing net sales by average retail inventory.

BEGINNING OF THE MONTH STOCK TO SALES RATIO

The following stock to sales ratios represent industry experiences for 1988. *Caution, however, should be exercised in using these figures as a guideline in projecting monthly inventory needs.* These industry ratios do not necessarily represent monthly inventory needs which will yield the highest inventory turnover and greatest profit.

ALL FIRMS OPERATING EXPENSES
1988 BEGINNING OF THE MONTH STOCK TO SALES RATIO*

	ALL FIRMS Distribution of Sales by Month (85 Firms)			ALL FIRMS Beginning of the Month Stock to Sales Ratio (75 Firms)		
	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	YOUR FIRM
FEBRUARY	4.8- 6.2	5.7	_____	6.1-11.3	8.2	_____
MARCH	5.8- 8.0	6.9	_____	5.2-10.8	7.4	_____
APRIL	6.8- 8.5	7.7	_____	5.7- 9.6	7.3	_____
MAY	6.8- 8.2	7.4	_____	6.1-10.0	7.6	_____
JUNE	7.4- 9.5	8.6	_____	5.1- 8.7	6.2	_____
JULY	6.3- 8.4	7.0	_____	5.5- 9.3	7.2	_____
AUGUST	5.3- 7.8	6.6	_____	5.7-10.8	7.9	_____
SEPTEMBER	6.2- 8.8	7.2	_____	5.4-10.4	7.6	_____
OCTOBER	7.3- 9.0	8.1	_____	5.9- 9.2	7.4	_____
NOVEMBER	7.9- 9.9	8.7	_____	5.5-10.2	7.7	_____
DECEMBER	14.7-19.4	16.8	_____	3.2- 4.8	4.0	_____
JANUARY	6.2- 8.6	7.4	_____	5.9- 9.7	7.5	_____
TOTAL		100.0%	100.0%			

1988 BEGINNING OF THE MONTH STOCK TO SALES RATIO*

	FIRMS HANDLING MEN'S WEAR ONLY						FIRMS HANDLING WOMEN'S WEAR			
	Distribution of Sales by Month (36 Firms)		Beginning of the Month Stock to Sales Ratio (30 Firms)		YOUR FIRM		Distribution of Sales by Month (49 Firms)		Beginning of the Month Stock to Sales Ratio (45 Firms)	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Sales	Stock to Sales Ratio	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
FEBRUARY	4.9- 6.1	5.6	6.2-13.9	10.1	____ %	_____	4.8- 6.3	5.8	5.9-10.4	7.6
MARCH	5.4- 7.6	6.3	6.1-12.8	8.3	_____	_____	6.0- 8.4	7.1	4.4- 9.1	6.0
APRIL	6.9- 8.5	7.7	6.1-12.0	7.9	_____	_____	6.6- 8.5	7.7	5.3- 9.2	6.8
MAY	6.8- 8.5	7.3	6.5-10.9	8.9	_____	_____	6.8- 8.1	7.4	5.5- 9.8	6.7
JUNE	7.9- 9.7	8.7	5.3-10.2	7.2	_____	_____	7.3- 9.4	8.4	4.3- 8.3	5.8
JULY	6.3- 8.8	7.0	6.2-11.4	8.8	_____	_____	6.3- 8.3	7.1	5.0- 8.6	7.0
AUGUST	5.3- 7.0	6.1	7.0-11.8	9.7	_____	_____	5.5- 8.2	6.7	4.7- 9.0	6.7
SEPTEMBER	6.0- 7.6	6.5	7.1-12.7	8.9	_____	_____	6.7- 8.9	7.8	4.8- 9.6	5.8
OCTOBER	7.3- 8.9	8.1	6.4-11.0	8.6	_____	_____	7.2- 9.3	8.3	5.2- 8.8	7.0
NOVEMBER	8.1-10.7	9.2	5.6-10.6	8.6	_____	_____	7.3- 9.3	8.5	5.3- 9.8	7.2
DECEMBER	14.8-19.7	17.0	3.7- 4.8	4.0	_____	_____	14.4-19.3	16.7	2.7- 4.7	3.7
JANUARY	6.5- 8.7	7.6	6.4-11.8	8.5	_____	_____	6.1- 8.5	7.1	5.3- 9.3	6.5
TOTAL		100.0%			100.0%			100.0%		

*The ratio of retail stock at beginning of the month to sales for the month.

HOW MEN'S WEAR FIRMS SPEND THEIR ADVERTISING DOLLARS

Advertising expenditures as a percent of net sales continued to tighten in 1988. The median experience for the typical specialty store was 3.2 percent of sales for advertising, compared with 3.3 percent in 1987 and 3.4 percent of net sales in 1986. Firms handling men's wear only spent a median 3.4 percent of net sales on advertising, compared with 3.6 percent of net sales in 1987. Firms handling women's wear allocated 3.1 percent of net sales in 1988 to advertising, versus 3.0 percent in 1987.

Over the last ten years, median experiences on advertising expenditures, including advertising payroll, have ranged between 2.9 percent and 3.4 percent of sales. The low of 2.9 percent was reported in 1979, 1980 and 1981, and the high of 3.4 percent of sales was experienced in 1985 and 1986.

As in previous years, men's wear firms continued to move their total advertising dollars around among the various media. In 1988, newspaper continued to claim the largest share of specialty store ad dollars, accounting for 38.7 percent of total advertising expense. However, this is 2.3 percentage points lower than the 1987 newspaper share of 41.0. For firms handling men's wear only, the newspaper share of ad dollars dropped to 39.2 percent from 47.3 percent in 1987 and 49.7 percent in 1986.

Use of the electronic media, i.e. combined radio and television time, went down to a median 24.5 percent of total advertising in 1988 compared with 27.2 percent in 1987. Radio time declined for the second straight year, moving down to 15.4 percent of total advertising expenditures in 1988 from 17.5 percent in 1987 and 18.0 percent in 1986.

Total TV time showed the least significant change, slipping to 9.1 percent of total advertising expenditures from 9.7 percent in 1987 and still above the 8.5 percent of advertising dollars experienced in 1986. Firms handling women's wear continued to spend slightly more dollars on TV time, allocating 10.1 percent of their advertising budgets to this medium.

Advertising payroll held the line in 1988, coming in at a median 10.0 percent of advertising costs; up only three-tenths of a percent from the 9.7 percent reported in 1987.

"Other Advertising Costs" remained fairly constant at 19.7 percent of all advertising expenditures, compared with 19.5 percent in 1987 but notably ahead of the 15.9 percent reported in 1986.

Direct mail continued to gain a larger share of advertising dollars in 1988, representing a median 13.5 percent of all ad dollars compared with 12.0 percent in 1987 and 10.7 percent in 1986.

ALL FIRMS ADVERTISING EXPENDITURES AS A PERCENT OF TOTAL ADVERTISING EXPENSE

	ALL FIRMS (74 Firms)			FIRMS HANDLING MEN'S WEAR ONLY (31 Firms)		FIRMS HANDLING WOMEN'S WEAR (43 Firms)	
	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
Total Newspaper Space	25.6-54.9	38.7	_____	23.8-54.9	39.2	25.9-55.2	38.4
Total Radio Time	6.3-27.8	15.4	_____	6.6-29.3	17.8	3.8-24.3	14.7
Total TV Time	3.1-17.7	9.1	_____	5.4-18.0	8.9	1.7-20.5	10.1
Direct Mail	6.6-25.1	13.5	_____	6.6-26.4	13.5	6.8-25.4	14.2
Advertising Payroll	5.9-16.0	10.0	_____	3.8-11.2	7.1	7.5-17.5	13.0
Other Advertising Costs	10.2-29.5	19.7	_____	6.4-28.7	16.0	10.3-30.4	21.1

ALL FIRMS

1988 COMPOSITE OPERATING STATEMENT

PLEASE NOTE THAT NET WORKROOM COST IS NOW TREATED AS A SEPARATE EXPENSE CENTER. TAKE THIS INTO CONSIDERATION WHEN COMPARING GROSS MARGIN AND TOTAL EXPENSES TO LAST YEAR'S DATA PRIOR TO 1980. ("EXPENSE DIVISION NUMBERS AND DEFINITIONS ARE IN ACCORDANCE WITH MRA's FINANCIAL & OPERATIONS GROUP "MENSWEAR BASIC MANAGEMENT ACCOUNTING MANUAL.")	ALL FIRMS (140 Firms)		YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (64 Firms)		FIRMS HANDLING WOMEN'S WEAR (74 Firms)	
	Range of Common Experience	Median Firm		Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
COST OF GOODS SOLD (Percent of net sales, excluding leased departments, except as noted.)							
1. Ending inventory at cost	17.2-31.3	23.0	____ %	20.2-34.1	25.8	15.5-30.2	20.8
2. Total cost of merchandise sold	51.9-58.7	54.8	_____	51.4-59.3	54.4	52.5-58.7	54.9
3. Gross margin, excluding leased department income and sales	41.2-48.1	45.2	_____	40.7-48.7	45.6	41.3-47.5	45.1
4. Income from leased departments	.9- 2.2	1.6	_____	.5- 4.2	2.1	1.0- 1.8	1.2
5. Gross margin, including income from leased departments, as a percent of total net sales	41.3-48.3	45.3	_____	40.8-48.7	46.2	41.5-47.7	45.2
Expense Div. No.*							
6. 00 Net Alteration Cost							
a. Alterations payroll	1.8- 4.0	2.9	_____	1.9- 4.1	3.1	1.7- 4.0	2.7
b. All other workroom expenses	.1- .7	.2	_____	.1- .9	.2	.1- .7	.2
c. Less: Alteration Income	.3- .7	.5	_____	.3- .8	.5	.3- .6	.5
d. Net Alterations Costs (line a plus line b, minus line c)	1.4- 3.3	2.3	_____	1.4- 3.4	2.3	1.8- 3.3	2.4
7. 01 Payroll (total)	13.8-23.9	18.1	_____	14.6-24.6	19.6	13.9-23.7	17.3
a. Payroll of owners and officers	4.0- 8.0	5.6	_____	5.4- 8.9	7.4	3.3- 6.8	4.5
b. Selling payroll (includes commissions & "spiffs")	7.7-11.3	9.5	_____	7.0-10.9	9.5	8.5-12.3	9.6
c. Non-selling payroll (excludes workroom & advertising payroll)	2.1- 4.7	3.0	_____	2.3- 4.8	2.7	2.2- 4.6	3.1
8. 03 Advertising	2.4- 4.2	3.2	_____	2.4- 4.6	3.4	2.4- 4.1	3.1

9. 04	Taxes (total)	1.6- 2.4	2.0	———	1.5- 2.4	1.9	1.6- 2.5	2.1
	a. All state and local taxes (including licenses) with the exception of payroll taxes and Federal income taxes	.1- .7	.3	———	.1- .7	.3	.1- .6	.4
	b. Social security and unemployment taxes	1.3- 1.9	1.7	———	1.3- 1.9	1.7	1.3- 2.0	1.7
10. 06	Supplies	1.6- 3.7	2.4	———	1.6- 4.0	2.5	1.6- 3.6	2.4
	a. Wrapping and packing supplies	.6- 1.4	.9	———	.6- 1.4	.9	.6- 1.4	.9
	b. Other supplies (cleaning, stationery)	.3- .9	.5	———	.2- 1.1	.4	.3- .9	.5
	c. Utilities (heat, light, water, sewer, etc.)	.8- 1.4	1.1	———	.9- 1.5	1.2	.7- 1.3	1.0
11. 07	Services Purchased (Total)	.9- 3.7	1.8	———	NA	1.8	.9- 3.8	2.5
	a. Accounts receivable factoring charges	.1- 1.1	.2	———	NA	.2	.2- 1.3	.9
	b. Data processing/service bureau charges	.2- 1.0	.5	———	.3- 1.0	.6	.2- .9	.5
	c. Credit card service fees	.4- 1.0	.7	———	.4- 1.1	.7	.4- .9	.7
	d. Cleaning service, delivery, alarm service, attorney fees for account collection, buying office, etc.	.2- .7	.4	———	.2- .7	.3	.2- .7	.4
12. 08	Unclassified (cash shortages; want ads, dues & subscriptions, employee prizes, etc.)	.3- .9	.5	———	.3- 1.0	.5	.2- .9	.5
13. 09	Traveling	.4- 1.0	.6	———	.4- 1.1	.6	.4- .9	.7
14. 10	Communications	.4- .9	.6	———	.4- .9	.6	.4- .8	.6
15. 11	Pensions	.3- 1.2	.6	———	.3- 1.8	1.0	.2- 1.0	.5
16. 12	Insurance (total)	1.3- 2.8	1.9	———	1.4- 2.8	2.1	1.1- 2.7	1.8
	a. Workmen's compensation insurance; sickness, accident, group medical, group hospital and life insurance premiums	.8- 1.9	1.3	———	.9- 1.9	1.4	.7- 1.7	1.2
	b. All other insurance premiums	.5- 1.0	.7	———	.5- 1.0	.7	.5- 1.0	.6
17. 13	Depreciation (total)	.7- 1.6	1.2	———	.6- 1.4	1.0	.8- 1.8	1.2
18. 14	Professional services	.3- .8	.4	———	.3- .7	.4	.3- .8	.4
19. 15	Donations	.1- .2	.1	———	.1- .2	.1	.1- .2	.1
20. 16	Bad Debts	.1- .5	.2	———	.1- .4	.2	.1- .5	.2
21. 17	Equipment costs	.2- .8	.4	———	.2- 1.1	.4	.3- .8	.4
22. 20	Real property rentals	2.8- 6.2	4.4	———	2.4- 5.1	3.9	3.3- 6.6	5.2
23.	Total expenses	38.0-46.5	42.2	———	37.4-47.2	43.2	38.9-46.1	41.8
NET GAIN (Percent of total net sales, except as noted.)								
24.	Operating profit, including income from leased departments	.6- 5.1	3.1	———	.3- 5.7	3.3	.7- 4.7	3.0
25.	a. Interest income	.3- 1.7	1.0	———	.3- 1.5	.7	.2- 1.7	1.2
	b. Net other income	.1- .8	.4	———	.1- .8	.4	.1- .8	.4
	c. Interest expenses	.6- 2.2	1.4	———	.6- 2.3	1.3	.7- 2.1	1.4
	d. Net other expenses	<.1- 1.3	.4	———	<.1- 1.5	.2	<.1- 1.2	.4
26.	Net profit, before Federal income taxes	.8- 5.5	2.7	———	.8- 5.7	3.1	.9- 4.2	2.4

ALL FIRMS OPERATING EXPERIENCES

1988 MONTHLY SALES PUBLICITY RATIO

	ALL FIRMS Distribution of Sales by Month (85 Firms)			ALL FIRMS Publicity Cost as a Percent of Monthly Sales (75 Firms)			ALL FIRMS Distribution of Publicity Cost by Month (75 Firms)		
	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	YOUR FIRM
FEBRUARY	4.8- 6.2	5.7	____%	2.8-6.4	3.9	____%	4.7- 9.1	6.8	____%
MARCH	5.8- 8.0	6.9	_____	2.0-4.8	3.0	_____	4.7- 9.1	6.7	_____
APRIL	6.8- 8.5	7.7	_____	2.1-4.6	3.0	_____	4.9- 9.5	6.9	_____
MAY	6.8- 8.2	7.4	_____	1.7-4.8	3.1	_____	5.2- 9.9	7.2	_____
JUNE	7.4- 9.5	8.6	_____	1.8-4.3	3.0	_____	5.9-10.2	7.7	_____
JULY	6.3- 8.4	7.0	_____	1.6-4.3	2.8	_____	4.0- 9.4	7.3	_____
AUGUST	5.3- 7.8	6.6	_____	2.0-4.9	3.5	_____	4.7- 8.6	6.8	_____
SEPTEMBER	6.2- 8.8	7.2	_____	1.9-4.8	2.8	_____	4.8- 9.4	7.2	_____
OCTOBER	7.3- 9.0	8.1	_____	1.8-5.0	3.4	_____	6.0-11.1	8.3	_____
NOVEMBER	7.9- 9.9	8.7	_____	2.5-5.7	3.6	_____	6.8-12.9	10.0	_____
DECEMBER	14.7-19.4	16.8	_____	1.6-3.0	2.3	_____	8.1-16.3	10.6	_____
JANUARY	6.2- 8.6	7.4	_____	2.3-5.9	4.0	_____	6.0-13.3	8.6	_____
TOTAL		100.0%	100.0%					100.0%	100.0%

1988 MONTHLY SALES PUBLICITY RATIO

	FIRMS HANDLING MEN'S WEAR ONLY						YOUR FIRM			FIRMS HANDLING WOMEN'S WEAR					
	Distribution of Sales by Month (36 Firms)		Publicity Cost as a Percent of Monthly Sales (31 Firms)		Distribution of Publicity Cost by Month (31 Firms)					Distribution of Sales by Month (49 Firms)		Publicity Cost as a Percent of Monthly Sales (44 Firms)		Distribution of Publicity Cost by Month (44 Firms)	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Sales	Publicity	Publicity % Sales	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
FEBRUARY	4.9- 6.1	5.6	3.2-7.9	4.5	5.4- 9.7	8.0	____%	____%	____%	4.8- 6.3	5.8	2.5-5.2	3.7	4.5- 8.4	6.0
MARCH	5.4- 7.6	6.3	2.1- 5.6	3.1	4.4- 9.9	7.5	_____	_____	_____	6.0- 8.4	7.1	1.8-4.0	3.0	4.7- 8.8	6.4
APRIL	6.9- 8.5	7.7	2.1- 5.1	3.3	4.7-10.1	6.7	_____	_____	_____	6.6- 8.5	7.7	2.0-4.6	2.8	4.9- 9.4	6.9
MAY	6.8- 8.5	7.3	1.5-4.9	3.0	4.0- 8.8	6.2	_____	_____	_____	6.8- 8.1	7.4	2.0-4.7	3.2	5.8-11.1	7.9
JUNE	7.9- 9.7	8.7	2.1-4.9	3.1	5.3-10.0	7.6	_____	_____	_____	7.3- 9.4	8.4	1.7-4.3	2.8	6.1-10.7	7.7
JULY	6.3- 8.8	7.0	2.0-4.0	3.0	3.8- 9.2	6.2	_____	_____	_____	6.3- 8.3	7.1	1.5-4.5	2.5	4.3- 9.8	7.5
AUGUST	5.3- 7.0	6.1	2.2-5.1	3.5	4.6- 8.2	6.2	_____	_____	_____	5.5- 8.2	6.7	1.7-4.6	3.1	5.2- 8.9	7.1
SEPTEMBER	6.0- 7.6	6.5	2.0-5.9	3.2	4.8- 9.4	6.6	_____	_____	_____	6.7- 8.9	7.8	1.7-4.2	2.6	4.8- 9.4	7.3
OCTOBER	7.3- 8.9	8.1	1.7-5.0	3.3	5.4-11.0	7.6	_____	_____	_____	7.2- 9.3	8.3	1.9-5.0	3.5	6.5-11.2	9.1
NOVEMBER	8.1-10.7	9.2	2.5-6.4	4.1	6.1-16.0	10.7	_____	_____	_____	7.3- 9.8	8.5	2.4-5.3	3.4	7.6-11.6	9.9
DECEMBER	14.8-19.7	17.0	1.6-3.2	2.3	7.8-18.0	10.6	_____	_____	_____	14.4-19.3	16.7	1.6-2.7	2.3	8.4-14.8	11.5
JANUARY	6.5- 8.7	7.6	2.4-6.2	4.7	5.1-13.5	10.0	_____	_____	_____	6.1- 8.5	7.1	2.0-5.4	3.6	6.2-13.0	7.6
TOTAL		100.0%				100.0%					100%	–			100.0%

1988 REPORT BY FIRM VOLUME
(Under $500,000)

Group I firms (under $300,000) showed a strong increase in sales for 1988, well above the industry experience of 3.6 percent. These firms turned in a median 5.4 percent increase over 1987 sales volume, compared with a 1.3 percent increase in 1987 and a decline of (5.1) percent in 1986. Group II firms showed only a 2.2 percent increase over 1987 sales after two straight years of 4.8 percent increases in 1987 and 1986 over previous year levels.

Both Groups turned in better than industry average performances on total expenses. The median performances were 37.5 percent of sales for Group I firms and 35.3 percent of sales for Group II firms.

Compared with an industry experience of 45.3 percent of sales, Group I firms reported Gross Margin at a median 42.3 percent of sales for 1988, down just slightly from 1987 levels. Group II firms experienced a median Gross Margin of 42.1 percent of sales, down from 1987 but still above the 40.9 percent of sales reported for 1986.

Both Groups also outpaced the industry experience of a net profit before taxes of 2.7 percent of sales, with Group I reporting this experience at 3.8 percent of sales and Group II firms showing a net profit before taxes of 4.1 percent of sales.

COMPARISON OF 1988 AND 1987 KEY FIGURES

SALES VOLUME INCREASE

	GROUP	1988 Median	1987 Median	YOUR FIRM
I	(Under $300,000)	5.4%	1.3%	_____%
II	($300,000 to $499,999)	2.2%	4.8%	_____%

TOTAL EXPENSES

	GROUP	1988 Median	1987 Median	YOUR FIRM
I	(Under $300,000)	37.5%	37.1%	_____%
II	($300,000 to $499,999)	35.3%	40.0%	_____%

NET PROFIT

	GROUP	1988 Median	1987 Median	YOUR FIRM
I	(Under $300,000)	3.8%	5.9%	_____%
II	($300,000 to $499,999)	4.1%	2.5%	_____%

GROSS MARGIN

	GROUP	1988 Median	1987 Median	YOUR FIRM
I	(Under $300,000)	42.3%	42.6%	_____%
II	($300,000 to $499,999)	42.1%	43.6%	_____%

INVENTORY TURNOVER

	GROUP	1988 Median	1987 Median	YOUR FIRM
I	(Under $300,000)	1.4	1.5	_____
II	($300,000 to $499,999)	2.0	2.0	_____

1988 COOPERATIVE ADVERTISING FUNDS RECEIVED AS A PERCENT OF GROSS PUBLICITY COST

	GROUP	Range of Common Experience	Median
I	(Under $300,000)	NA	NA
II	($300,000 to $499,999)	4.1-10.3	5.6

1988 COMPOSITE OPERATING STATEMENT BY FIRM VOLUME

PLEASE NOTE THAT NET WORKROOM COST IS NOW TREATED AS A SEPARATE EXPENSE CENTER. TAKE THIS INTO CONSIDERATION WHEN COMPARING GROSS MARGIN AND TOTAL EXPENSES TO LAST DATA PRIOR TO 1980.

("EXPENSE DIVISION NUMBERS AND DEFINITIONS ARE IN ACCORDANCE WITH MRA's FINANCIAL & OPERATIONS GROUP "MENSWEAR BASIC MANAGEMENT ACCOUNTING MANUAL".)

	GROUP I FIRMS ANNUAL SALES under $300,000 (9 Firms)		GROUP II FIRMS ANNUAL SALES $300,000 to $499,999 (21 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
COST OF GOODS SOLD (Percent of net sales, excluding leased departments, except as noted.)					
1. Ending inventory at cost	31.2-44.3	40.3	21.3 -40.1	30.3	____%
2. Total cost of merchandise sold	55.6-64.6	57.7	50.5 -60.7	57.9	____
3. Gross margin, excluding leased department income and sales	35.4-44.4	42.3	39.2 -49.5	42.1	____
4. Income from leased departments	NA	NA	NA	NA	____
5. Gross margin, including income from leased departments, as a percent of total net sales	35.4-44.4	42.3	39.3 -49.5	42.1	____
Expense Div. No.*					
6. 00 Net Alteration Cost					
a. Alterations payroll	NA	NA	1.3 - 3.5	2.0	____
b. All other workroom expenses	.9- 3.6	1.7	.1 - .7	.4	____
c. Less: Alteration Income	NA	NA	.2 - 1.0	.6	____
d. Net Alterations Costs (line a plus line b, minus line c)	1.0- 1.9	1.6	.8 - 3.2	1.4	____
7. 01 Payroll (total)	NA	24.5	13.8 -23.9	18.1	____
a. Payroll of owners and officers	1.2-13.9	7.8	5.8 - 9.3	7.5	____
b. Selling payroll (includes commissions & "spiffs")	7.2-12.0	9.6	6.1 - 9.9	7.1	____
c. Non-selling payroll (excludes workroom & advertising payroll)	NA	NA	1.9 - 4.5	3.6	____
8. 03 Advertising	2.3- 3.6	3.2	2.3 - 4.4	2.9	____
9. 04 Taxes (total)	1.0- 1.9	1.4	1.3 - 2.3	1.7	____
a. All state and local taxes (including licenses) with the exception of payroll taxes and Federal income taxes	.1- .9	.2	.1 - .7	.3	____
b. Social security and unemployment taxes	.9- 1.7	1.3	1.1 - 1.8	1.4	____
10. 06 Supplies	2.4- 6.3	3.6	1.3 - 4.2	2.5	____
a. Wrapping and packing supplies	1.0- 2.1	1.5	.3 - 1.3	1.1	____
b. Other supplies (cleaning, stationery)	.3- 2.4	.6	.2 - 1.4	.5	____
c. Utilities (heat, light, water, sewer, etc.)	1.2- 1.8	1.4	.8 - 1.6	1.0	____
11. 07 Services Purchased (Total)	NA	1.3	NA	2.6	____
a. Accounts receivable factoring charges	NA	NA	NA	NA	____
b. Data processing/service bureau charges	NA	NA	NA	NA	____
c. Credit card service fees	.2- .9	.5	.2 - .9	.6	____
d. Cleaning service, delivery, alarm service, attorney fees for account collection, buying office, etc.	.3- 1.0	.5	.1 - .7	.3	____
12. 08 Unclassified (cash shortages, want ads, dues, subscriptions, employee prizes, etc.)	.3- .9	.4	.4 - 1.8	.8	____
13. 09 Traveling	1.2- 1.1	.5	.4 - 1.3	.6	____
14. 10 Communications	.3- .9	.5	.3 - 1.1	.7	____
15. 11 Pensions	NA	NA	NA	NA	____
16. 12 Insurance (total)	1.2 - 3.5	2.4	1.3 - 3.3	2.4	____
a. Workmen's compensation insurance; sickness, accident, group medical, group hospital and life insurance premiums	.7- 2.0	1.2	1.0 - 2.5	1.9	____
b. All other insurance premiums	.6- 1.5	1.3	.3 - .8	.5	____
17. 13 Depreciation (total)	.7- 1.4	.8	.3 - 1.6	.9	____
18. 14 Professional services	.3- .9	.6	.3 - .8	.4	____
19. 15 Donations	.1- .5	.3	.1 - .3	.2	____
20. 16 Bad Debts	.1- .2	.1	.1 - .4	.2	____
21. 17 Equipment costs	.3- 2.5	.9	.1 - 1.1	.3	____
22. 20 Real property rentals	2.8- 5.1	3.7	2.0 - 4.9	3.9	____
23. Total expenses	30.9-40.9	37.5	31.4-47.5	35.3	____
NET GAIN (Percent of total net sales, except as noted.)					
24. Operating profit, including income from leased departments	2.5-12.3	5.1	.7 - 9.7	5.0	____
25. a. Interest income	.2- .7	.3	.1 - .9	.3	____
b. Net other income	.1- 1.4	.1	.1 - .6	.5	____
c. Interest expenses	.6- 2.0	1.0	1.0 - 2.9	1.9	____
d. Net other expenses	NA	NA	.1 - 1.3	.3	____
26. Net profit, before Federal income taxes	1.5-12.5	3.8	.4 - 9.0	4.1	____

OPERATING EXPERIENCES BY FIRM VOLUME

1988 MERCHANDISING AND PRODUCTIVITY DATA

	GROUP I FIRMS ANNUAL SALES under $300,000 (9 Firms)		GROUP II FIRMS ANNUAL SALES $300,000 to $499,999 (21 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
SALES DATA					
Increase in total net sales from last year	(.2)- 9.3	5.4	(6.3)- 9.0	2.2	____%
Sales per square foot of total store area in dollars	57.8 -117.8	99.0	89.9-148.8	113.6	_____
SELLING AND ADVERTISING COST					
Selling payroll, percent of net sales excluding leased departments	7.2 -12.0	9.6	6.1- 9.9	7.1	_____
Advertising percent of net sales excluding leased departments	2.3 - 3.6	3.2	2.3- 4.4	2.9	_____
MERCHANDISING DATA					
Annual stock turn, number of times at retail	1.2 - 1.6	1.4	1.5- 2.9	2.0	_____
Transportation in charges on goods purchased as a percent of net sales	.3 - 1.3	.7	.5- 1.4	1.0	_____
Beginning 1988 inventory as a percent of 1987 sales	29.8 -45.1	37.0	20.6- 31.0	30.3	_____
Ending 1988 inventory as a percent of 1988 sales	31.2 -44.3	40.3	21.3- 40.1	30.3	_____
ALTERATION DATA AND COST					
Net workroom cost, percent of net sales excluding leased departments	1.0 - 1.9	1.6	.8- 3.2	1.4	_____
Net alterations cost, percent of men's clothing sales	3.1 - 4.8	3.9	4.2- 7.1	5.9	_____
Income from alterations, percent of net sales excluding leased departments	NA	NA	.2- 1.0	.6	_____
PROFIT AND FINANCIAL DATA					
Income from leased departments, percent of leased department sales	NA	NA	NA	NA	_____
Cash discounts earned as % of net sales	.1 - .5	.3	.2- .8	.3	_____
Net profit on net sales	1.5 -12.5	3.8	.4- 9.0	4.1	_____
Net profit on net worth	5.7 -48.8	13.0	(2.2)- 46.5	13.4	_____
Net profit on net working capital	4.2 -34.2	12.1	(10.1)- 42.7	14.0	_____

1988 PRODUCTIVITY INFORMATION

BY FIRM VOLUME

	GROUP I FIRMS ANNUAL SALES under $300,000 (9 Firms)		GROUP II FIRMS ANNUAL SALES $300,000 to $499,999 (21 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
Stock Turnover	1.2- 1.6	1.4	1.5 - 2.9	2.0	_____
Selling Area in Square Feet	1,507-2,200	1,800	2,000 -3,000	2,500	_____
Sales per square foot of selling area ($)	$92.3-155.9	$144.5	$124.2 -225.6	$163.1	_____
Cost of goods per square foot of selling area ($)	$55.9- 87.0	$ 81.7	$ 76.9 -112.1	$ 91.4	_____
Gross Margin per square foot of selling area ($)	$34.2- 64.5	$ 61.1	$ 48.3 - 96.4	$ 70.3	_____
Operating Expenses per square foot of selling area ($)	$28.8- 59.3	$ 42.4	$ 44.7 - 79.5	$ 67.8	_____
Operating profit per square foot of selling area ($)	$3.2- 19.5	$ 5.6	$1.0- 20.6	$ 6.9	_____
Total area selling and non selling in square feet	2,295-3,700	2,500	2,750 -4,500	3,600	_____
Sales per square foot of total area ($)	$57.8-117.8	$ 39.0	$ 89.9 -148.8	$113.6	_____
Cost of goods per square foot to total area ($)	$38.0- 65.9	$ 55.6	$ 43.9 - 93.2	$ 67.1	_____
Gross Margin per square foot of total area ($)	$19.8- 51.9	$ 40.7	$ 39.8 - 67.3	$ 50.8	_____
Operating Expenses per square foot of total area ($)	$17.8- 43.5	$ 34.3	$ 33.8 - 55.6	$ 46.8	_____
Operating profit per square foot of total area ($)	$2.4- 12.7	$ 4.5	$.6- 14.7	$ 5.7	_____

1988 REPORT BY FIRM VOLUME
(Over $500,000)

Group III firms ($500,000 to $999,999) reported a net increase in 1988 sales of 3.0 percent over 1987 volume, better than half a point lower than the industry experience of a 3.6 percent increase. This is the third year in a row these firms have showed a lower-than-typical increase, although their 1988 performance was much closer than in previous years. These firms turned in a slightly higher than typical net profit before taxes experience of 2.8 percent of sales for 1988. This was due, in part, to holding expenses to 41.5 percent of sales, compared with the typical industry experience of 42.2 percent of sales.

Group IV firms ($1 million to $3.49 million) increased sales over 1987 levels by only 2.0 percent, compared with a 3.5 percent increase in 1987 and a 5.6 percent increase in 1986. Total expenses were slightly higher than the industry experience of 42.2 percent of sales, coming in at 42.9 percent of sales for 1988. Net profit before taxes was also below the industry experience for 1988, at a median 2.5 percent of sales, compared with 2.7 percent in 1987 and 1.9 percent in 1986.

Group V firms ($3.5 million and over) showed the largest volume increase, bettering 1987 sales by 5.3 percent, compared with 3.2 percent in 1987 and 2.5 percent in 1986. However, higher than typical expenses at a median 44.9 percent of sales worked to keep the net profit before taxes figure for larger firms to 1.8 percent of sales, compared with the industry experience of 2.7 percent of sales.

COMPARISON OF 1988 AND 1987 KEY FIGURES

SALES VOLUME INCREASE

GROUP		1988 Median	1987 Median	YOUR FIRM
III	($500,000 to $999,999)	3.0%	2.2%	_____%
IV	($1,000,000 to $3,499,999)	2.0%	3.5%	_____%
V	($3,500,000 and over)	5.3%	3.2%	_____%

TOTAL EXPENSES

GROUP		1988 Median	1987 Median	YOUR FIRM
III	($500,000 to $999,999)	41.5%	40.0%	_____%
IV	($1,000,000 to $3,499,999)	42.9%	41.7%	_____%
V	($3,500,000 and over)	44.9%	45.1%	_____%

NET PROFIT

GROUP		1988 Median	1987 Median	YOUR FIRM
III	($500,000 to $999,999)	2.8%	3.5%	_____%
IV	($1,000,000 to $3,499,999)	2.5%	2.7%	_____%
V	($3,500,000 and over)	1.8%	1.8%	_____%

1988 MERCHANDISING AND PRODUCTIVITY DATA

Group III firms ($500,000 to $999,999) reported a median gross margin experience of 44.2 percent for 1988. This compares with an overall industry experience of 45.3 percent. In 1987, gross margin for Group III firms was a median 43.7 percent and in 1986 it was 44.2 percent. Inventory turnover for these firms was up from 1987, moving to a 1.8 times turn from a 1.6 times turn in 1987 and only a 1.4 times turn in 1986. Ending inventory as a percent of sales was 24.4 percent in 1988 versus 26.7 percent in 1987. Sales per square foot of selling area increased to $182.40 in 1988 from $145.80 in 1987 for Group III firms.

Group IV firms ($1 million to $3.49 million) increased sales per square foot of selling area to a median $271.60 in 1988 from $268.40 in 1987. Ending inventory as a percent of sales inched down to a median 20.0 percent in 1988 from 21.1 percent of sales in 1987. Group IV firms maintained a median annual stock turnover rate of 2.2 times, the same as in 1987. Gross Margin increased by one percentage point to a median 45.7 percent in 1988 from 44.7 percent in 1987.

Group V firms increased sales per square foot of selling area by a median $24.60, bringing the typical experience to $279.00 per square foot for 1988. Ending inventory as a percent of sales increased by less than 1 percent, creeping up to a median 22.4 percent of sales in 1988 versus 21.8 percent in 1987. Inventory turnover was unchanged from 1987 at a 1.8 times rate. Gross Margin increased to a median 47.0 percent from the 46.3 percent reported for 1987 and 46.4 percent in 1986.

COMPARISON OF 1988 AND 1987 KEY FIGURES

GROSS MARGIN

	GROUP	1988 Median	1987 Median	YOUR FIRM
III	($500,000 to $999,999)	44.2%	43.7%	_____%
IV	($1,000,000 to $3,499,999)	45.7%	44.7%	_____%
V	($3,500,000 and over)	47.0%	46.3%	_____%

INVENTORY TURNOVER

	GROUP	1988 Median	1987 Median	YOUR FIRM
III	($500,000 to $999,999)	1.8	1.6	_____
IV	($1,000,000 to $3,499,999)	2.2	2.2	_____
V	($3,500,000 and over)	1.8	1.8	_____

1988 COOPERATIVE ADVERTISING FUNDS RECEIVED AS A PERCENT OF GROSS PUBLICITY COST

	GROUP	Range of Common Experience	Median
III	($500,000 to $999,999)	3.6- 9.7	5.3%
IV	($1,000,000 to $3,499,999)	.7- 5.5	2.5%
V	($3,500,000 and over)	2.7-11.7	4.1%

1988 COMPOSITE OPERATING STATEMENT BY FIRM VOLUME

PLEASE NOTE THAT NET WORKROOM COST IS NOW TREATED AS A SEPARATE EXPENSE CENTER. TAKE THIS INTO CONSIDERATION WHEN COMPARING GROSS MARGIN AND TOTAL EXPENSES TO LAST YEAR'S DATA PRIOR TO 1980. (*EXPENSE DIVISION NUMBERS AND DEFINITIONS ARE IN ACCORDANCE WITH MRA'S FINANCIAL & OPERATIONS GROUP "MENSWEAR BASIC MANAGEMENT ACCOUNTING MANUAL".)	GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 (33 Firms)		GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999 (51 Firms)		GROUP V FIRMS ANNUAL SALES $3,500,000 and over (26 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
COST OF GOODS SOLD (Percent of net sales, excluding leased departments, except as noted.)							
1. Ending inventory at cost	18.3-34.4	24.4	12.6-26.9	20.0	17.4-28.6	22.4	____%
2. Total cost of merchandise sold	52.6-58.7	55.8	52.2-58.7	54.7	50.6-55.2	54.0	____
3. Gross margin, excluding leased department income and sales	41.3-47.4	44.2	41.3-47.8	45.3	44.8-49.4	46.0	____
4. Income from leased departments	NA	NA	.5- 4.2	1.8	1.2- 2.0	1.6	____
5. Gross margin, including income from leased departments, as a percent of total net sales	41.3-47.4	44.2	41.3-48.2	45.7	44.9-51.2	47.0	____
Expense Div. No.*							
6. 00 Net Alteration Cost							
a. Alterations payroll	1.7- 3.2	2.8	2.1- 4.6	3.5	1.9- 4.0	3.0	____
b. All other workroom expenses	.1- 1.5	.3	.1- .5	.2	.1- .3	.2	____
c. Less: Alteration Income	.4- .6	.5	.3- .7	.5	.2- .6	.4	____
d. Net Alterations Costs (line a plus line b, minus line c)	1.6- 2.9	2.3	1.5- 4.3	2.7	1.8- 3.6	2.5	____
7. 01 Payroll (total)	14.6-24.0	19.4	13.9-23.7	17.5	15.2-23.0	18.4	____
a. Payroll of owners and officers	5.3- 9.0	7.2	4.3- 8.3	5.4	2.6- 4.4	3.5	____
b. Selling payroll (includes commissions & "spiffs")	7.4-11.6	9.7	7.9-12.1	9.5	8.9-11.4	10.0	____
c. Non-selling payroll	1.9- 3.4	2.5	1.8- 3.3	2.5	3.7- 7.2	4.9	____
8. 03 Advertising	2.0- 4.3	3.0	2.3- 4.2	3.2	2.6- 4.2	3.4	____
9. 04 Taxes (total)	1.7- 2.7	2.1	1.6- 2.4	2.1	1.8- 2.4	2.0	____
a. All state and local taxes (including licenses) with the exception of payroll taxes and Federal income taxes	.1- .7	.3	.1- .8	.3	.2- .6	.4	____
b. Social security and unemployment taxes	1.4- 2.1	1.8	1.3- 2.0	1.6	1.6- 1.9	1.7	____
10. 06 Supplies	1.7- 4.0	2.5	1.5- 3.4	2.3	1.5- 3.3	2.4	____
a. Wrapping and packing supplies	.6- 1.5	1.0	.6- 1.4	1.0	.4- 1.0	.7	____
b. Other supplies (cleaning, stationery)	.2- 1.2	.4	.3- .8	.4	.3- .9	.6	____
c. Utilities (heat, light, water, sewer, etc.)	.8- 1.3	1.0	.7- 1.3	.9	.8- 1.4	1.2	____
11. 07 Services Purchased (Total)	.7- 2.8	1.5	1.2- 3.8	2.1	NA	2.3	____
a. Accounts receivable factoring charges	NA	NA	.1- 1.0	.2	NA	NA	____
b. Data processing/service bureau charges	.2- 1.1	.6	.4- 1.0	.7	.1- .5	.2	____
c. Credit card service fees	.3- .9	.5	.5- 1.2	.9	.6- .9	.8	____
d. Cleaning service, delivery, alarm service, attorney fees for account collection, buying office, etc.	.2- .8	.4	.2- .6	.3	.2- .6	.4	____
12. 08 Unclassified (cash shortages, want ads, dues, subscriptions, employee prizes, etc.)	.3- .9	.6	.2- .7	.4	.4- 1.1	.8	____
13. 09 Traveling	.3- 1.1	.6	.4- 1.0	.8	.4- .8	.6	____
14. 10 Communications	.5- .9	.6	.4- .8	.6	.4- .9	.7	____
15. 11 Pensions	.3- 2.6	1.2	.4- 1.2	.8	.2- 1.0	.5	____
16. 12 Insurance (total)	1.0- 3.6	2.2	1.3- 2.7	1.9	1.3- 2.2	1.7	____
a. Workmen's compensation insurance; sickness, accident, group medical, group hospital and life insurance premiums	.6- 2.5	1.4	.9- 1.6	1.3	.8- 1.4	1.1	____
b. All other insurance premiums	.5- 1.1	.7	.5- 1.1	.6	.5- .8	.6	____
17. 13 Depreciation (total)	.8- 1.5	1.2	.6- 1.6	.9	1.2- 2.1	1.3	____
18. 14 Professional services	.2- .8	.6	.3- .8	.4	.2- .7	.4	____
19. 15 Donations	<.1- .2	.1	.1- .2	.1	<.1- .3	.1	____
20. 16 Bad Debts	<.1- .6	.2	.1- .4	.2	.2- .7	.4	____
21. 17 Equipment costs	.2- .7	.3	.2- .8	.4	.4- .9	.6	____
22. 20 Real property rentals	1.8- 4.8	3.0	2.8- 6.7	4.4	4.2- 6.9	5.6	____
23. Total expenses	38.4-45.7	41.5	39.2-47.2	42.9	41.9-47.9	44.9	____
NET GAIN (Percent of total net sales, except as noted.)							
24. Operating profit, including income from leased departments	.7- 4.7	3.1	.2- 4.5	2.6	(.5)- 4.1	2.6	____
25. a. Interest income	.3- 1.9	.9	.2- 1.7	1.1	.8- 1.9	1.3	____
b. Net other income	.1- .8	.6	.1- .9	.4	.1- .6	.3	____
c. Interest expenses	.5- 2.6	1.4	.6- 1.9	1.2	.6- 2.1	1.3	____
d. Net other expenses	.1- 1.8	.6	<.1- 1.0	.4	<.1- 1.5	.1	____
26. Net profit, before Federal income taxes	.8- 5.6	2.8	1.2- 4.6	2.5	.6- 3.9	1.8	____

OPERATING EXPERIENCES BY FIRM VOLUME

1988 MERCHANDISING AND PRODUCTIVITY DATA

	GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 (33 Firms)		GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999 (51 Firms)		GROUP V FIRMS ANNUAL SALES $3,500,000 and over (26 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
SALES DATA							
Increase in total net sales from last year	(2.9)- 7.3	3.0	(3.4)- 10.9	2.0	(.4)- 8.2	5.3	____%
Sales per square foot of total store area in dollars	$96.5 -230.9	$124.3	$116.6-253.8	$192.4	$115.4 -255.8	$201.3	____
SELLING AND ADVERTISING COST							
Selling payroll, percent of net sales excluding leased departments	7.4 -11.6	9.7	7.9 - 12.1	9.5	8.9 - 11.4	10.0	____
Advertising percent of net sales excluding leased departments	2.0 - 4.3	3.0	2.3 - 4.2	3.2	2.6 - 4.2	3.4	____
MERCHANDISING DATA							
Annual stock turn, number of times at retail	1.3 - 2.6	1.8	1.8 - 2.7	2.2	1.5 - 2.3	1.8	____
Transportation in charges on goods purchased as a percent of total sales	.3 - 1.2	.9	.4 - 1.1	.8	.8 - 1.0	.9	____
Beginning 1988 inventory as a percent of 1987 sales	19.6 -28.2	23.7	13.4 - 24.3	20.1	18.0 - 28.0	21.3	____
Ending 1988 inventory as a percent of 1988 sales	18.3 -34.4	24.4	12.6 - 26.9	20.0	17.4 - 28.6	22.4	____
ALTERATION DATA AND COST							
Net workroom cost, percent of net sales excluding leased departments	1.6 - 2.9	2.3	1.5 - 4.3	2.7	1.8 - 3.6	2.5	____
Net alterations cost, percent of men's clothing sales	5.0 - 8.8	6.8	5.0 - 8.4	6.6	5.9 - 9.9	8.3	____
Income from alterations, percent of net sales excluding leased departments	.4 - .6	.5	.3 - .7	.5	.2 - .6	.4	____
PROFIT AND FINANCIAL DATA							
Income from leased departments, percent of leased department sales	NA	NA	11.9- 18.5	15.1	12.5 - 24.3	15.3	____
Cash discounts earned as % of net sales	.3 - .9	.5	.4 - 1.2	.6	.5 - .9	.6	____
Net profit on net sales	.8 - 5.6	2.8	1.2 - 4.6	2.5	.6 - 3.9	1.8	____
Net profit on net worth	4.2 -16.1	11.0	4.6 - 32.0	12.6	2.2 - 16.6	7.6	____
Net profit on net working capital	4.3 -17.6	9.3	6.1 - 25.7	12.3	2.0 - 18.4	6.7	____

1988 PRODUCTIVITY INFORMATION

BY FIRM VOLUME

	GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 (33 Firms)		GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999 (51 Firms)		GROUP V FIRMS ANNUAL SALES $3,500,000 and over (26 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
Stock Turnover	1.3- 2.6	1.8	1.8 - 2.7	2.2	1.5- 2.3	1.8	_____
Selling Area in Square Feet	2,506-5,125	4,000	5,000 - 9,900	6,000	18,193-40,459	21,650	_____
Sales per square foot of selling area ($)	$137.2-265.0	$182.4	$161.6 -369.0	$271.6	$225.3- 323.6	$279.0	_____
Cost of goods per square foot of selling area ($)	$ 72.6-139.2	$ 93.9	$ 90.2 - 176.9	$139.8	$119.9- 161.7	$139.1	_____
Gross Margin per square foot of selling area ($)	$ 60.0-124.7	$ 74.6	$ 67.8 - 155.1	$121.7	$ 99.8- 140.8	$130.1	_____
Operating Expenses per square foot of selling area ($)	$ 56.4-118.0	$ 68.9	$ 59.2 - 145.6	$110.5	$ 93.0- 144.6	$116.7	_____
Operating profit per square foot of selling area ($)	$ 1.3- 8.5	$ 3.6	$ 1.0 - 14.8	$ 5.5	$(1.4)- 11.5	$ 5.3	_____
Total area selling and non selling in square feet	3,798-7,325	5,750	6,437 -12,650	9,145	23,760-56,900	30,000	_____
Sales per square foot of total area ($)	$ 96.5-230.9	$124.3	$116.6 - 253.8	$192.4	$155.4- 255.8	$201.3	_____
Cost of goods per square foot to total area ($)	$ 53.9-129.5	$ 69.9	$ 60.6 - 136.1	$100.5	$ 83.9- 132.4	$ 99.0	_____
Gross Margin per square foot of total area ($)	$ 41.8- 99.7	$ 52.6	$ 49.2 - 116.4	$ 91.5	$ 71.3- 118.5	$ 89.4	_____
Operating Expenses per square foot of total area ($)	$ 37.3- 96.5	$ 52.6	$ 46.5 - 101.5	$ 84.7	$ 71.4- 110.0	$ 83.7	_____
Operating profit per square foot of total area ($)	$ 1.1- 6.6	$ 3.0	$ 1.0 - 9.4	$ 3.7	$(1.0)- 9.0	$ 3.5	_____

1988 METROPOLITAN (TRADING) AREA SIZE OPERATING EXPERIENCES

Firms in population areas of 500,000 to 999,999 experienced the sharpest increase in sales for 1988, reporting this increase at a median 7.5 percent gain over 1987 sales. Firms in areas of 1 million and over showed the second largest gain in sales volume, turning in a median performance 6.0 percent ahead of 1987 sales, and following a 6.5 percent increase in 1987 over 1986 levels. Only two of the trading area divisions, Less than 25,000 and 50,000 to 99,999, reported a net sales increase lower than the industry experience of 3.6 percent increase.

On par with the pattern of prior years, total expenses scaled in accordance with the size of the trading area. However, firms in areas of 1 million and over managed to trim expenses slightly, reporting a median 45.4 percent of sales in expenses for 1988 versus 46.7 percent in 1987. Firms in the three smallest trading areas again beat the typical industry experience of total expenses at 42.2 percent of sales.

Firms in the second largest trading area group (500,000 to 999,999) turned in the lowest median experience on net profit before taxes, dropping to .8 percent of sales from the 3.6 percent of sales reported in 1987. Firms in areas over 1 million had the highest net profit experience, reporting it at a median 3.8 percent of sales compared with 2.5 percent of sales in 1987.

1988 COOPERATIVE ADVERTISING FUNDS RECEIVED AS A PERCENTAGE OF GROSS PUBLICITY COSTS

Metropolitan Size	Range of Common Experience	Median
Less than 25,000	9.8-13.8	12.0
25,000 to 49,999	3.0-14.1	7.3
50,000 to 99,999	4.1- 7.4	5.1
100,000 to 499,999	1.4- 6.3	3.5
500,000 to 999,999	NA	NA
1,000,000 and over	1.4-17.1	3.7

1988 SALES PER SQUARE FOOT OF SELLING AND TOTAL AREA (In dollars)

	Selling Area		Total Area	
Metropolitan Size	Range of Common Experience	Median	Range of Common Experience	Median
Less than 25,000	$124-221	$160	$ 93-152	$117
25,000 to 49,999	$111-228	$140	$ 78-170	$100
50,000 to 99,999	$151-259	$203	$ 98-210	$144
100,000 to 499,999	$180-325	$267	$136-248	$188
500,000 to 999,999	$205-314	$285	$150-276	$223
1,000,000 and over	$214-470	$285	$153-312	$213

OPERATING EXPERIENCES BY METROPOLITAN (TRADING) AREA SIZE
1988 MERCHANDISING AND PRODUCTIVITY DATA

	POPULATION Less Than 25,000 (23 Firms)		POPULATION 25,000-49,999 (21 Firms)		POPULATION 50,000-99,999 (29 Firms)		POPULATION 100,000-499,999 (41 Firms)		POPULATION 500,000-999,999 (8 Firms)		POPULATION 1,000,000 and over (18 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
SALES DATA													
Increase in total net sales from last year	(2.0)- 5.3	2.0	(4.1)- 7.7	5.5	(7.2)- 9.9	.9	(.1)- 10.9	3.6	1.7 - 13.5	7.5	(1.7)- 8.7	6.0	_____
Sales per square foot of total store area in dollars	$92.6 -152.4	$117.4	$78.5 -169.9	$ 99.8	$97.5 -209.8	$144.1	$135.7 -247.6	$188.3	$150.4 -275.6	$222.5	$152.6-311.8	$213.3	_____
SELLING AND ADVERTISING COST													
Selling payroll, percent of net sales excluding leased departments	6.1 - 9.8	7.8	8.7 - 12.8	10.2	7.2 - 12.2	10.0	8.8 - 12.0	10.2	8.3 - 9.5	8.5	7.8- 10.7	9.1	_____
Advertising percent of net sales excluding leased departments	2.0 - 4.4	3.0	2.4 - 3.6	2.6	2.1 - 4.1	3.0	2.4 - 4.3	3.4	2.9 - 4.7	4.1	2.7- 5.1	3.4	_____
MERCHANDISING DATA													
Annual stock turn, number of times at retail	1.4 - 2.0	1.5	1.3 - 3.2	1.6	1.8 - 2.8	2.2	1.5 - 2.5	2.0	NA	NA	1.5- 2.3	1.7	_____
Transportation in charges on goods purchased as a percent of total sales	.7 - 1.4	1.1	.2 - 1.4	1.0	.8 - 1.3	1.0	.5 - .9	.7	.5 - .8	.7	.3- 1.0	.9	_____
Beginning 1988 inventory as a percent of 1987 sales	14.8 - 33.7	24.6	20.9 - 35.6	26.8	18.0 - 25.4	21.1	11.5 - 27.7	21.3	18.8 - 31.8	23.6	18.2- 26.2	20.9	_____
Ending 1988 inventory as a percent of 1988 sales	18.3 - 40.2	30.3	19.0 - 39.7	31.3	15.9 - 28.1	21.8	14.6 - 29.3	21.2	15.6 - 29.4	23.1	16.1- 26.3	21.8	_____
ALTERATION DATA AND COST													
Net workroom cost, percent of net sales excluding leased departments	.7 - 2.0	1.6	1.0 - 2.3	1.3	1.1 - 3.2	2.2	1.9 - 3.6	2.8	2.2 - 4.8	3.2	2.0- 4.2	3.6	_____
Net alterations cost, percent of men's clothing sales	3.6 - 10.6	4.7	4.3 - 6.6	5.1	5.0 - 8.3	6.7	6.4 - 10.4	8.2	3.9 - 10.2	6.6	4.6- 8.4	6.9	_____
Income from alterations, percent of net sales excluding leased departments	.3 - .7	.4	.2 - .5	.4	.2 - .8	.5	.3 - .6	.5	NA	NA	.3- 1.1	.5	_____
PROFIT AND FINANCIAL DATA													
Income from leased departments, percent of leased department sales	NA	NA	NA	NA	14.3- 31.4	20.4	12.5 - 20.8	15.2	NA	NA	NA	NA	_____
Cash discounts earned as % of net sales	.3 - 1.5	.7	.3 - .8	.4	.3 - 1.0	.6	.4 - 1.3	.7	.5- .7	.6	.3- .6	.4	_____
Net profit on net sales	1.2 - 5.7	2.9	1.0 - 8.6	3.1	.7 - 5.3	3.1	1.0 - 4.3	2.3	(.3)- 5.5	.8	1.5- 5.5	3.8	_____
Net profit on net worth	4.3 - 35.3	9.4	4.3 - 16.7	11.0	2.3 - 22.2	9.1	2.9 - 24.4	11.6	(1.1)- 17.6	3.7	9.8- 36.5	16.7	_____
Net profit on net working capital	4.1 - 18.5	12.1	4.5 - 18.7	10.4	2.3 - 22.8	9.8	3.4 - 22.6	9.7	(2.1)- 25.7	4.4	5.2- 32.7	14.1	_____

1988 COMPOSITE OPERATING STATEMENT BY METROPOLITAN (TRADING) AREA SIZE

PLEASE NOTE THAT NET WORKROOM COST IS NOW TREATED AS A SEPARATE EXPENSE CENTER. TAKE THIS INTO CONSIDERATION WHEN COMPARING GROSS MARGIN AND TOTAL EXPENSES TO LAST YEARS DATA PRIOR TO 1980. ("EXPENSE DIVISION NUMBERS AND DEFINITIONS ARE IN ACCORDANCE WITH MRA'S FINANCIAL & OPERATIONS GROUP "MENSWEAR BASIC MANAGEMENT ACCOUNTING MANUAL".)	POPULATION Less Than 25,000 (23 Firms)		POPULATION 25,000-49,999 (21 Firms)		POPULATION 50,000-99,999 (29 Firms)		POPULATION 100,000-499,999 (41 Firms)		POPULATION 500,000-999,999 (8 Firms)		POPULATION 1,000,000 and over (18 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
COST OF GOODS SOLD (Percent of net sales, excluding leased departments, except as noted.)													
1. Ending inventory at cost	18.3-40.2	30.3	19.0-39.7	31.3	15.9 -28.1	21.8	14.6-29.3	21.2	15.6 -29.4	23.1	16.1-26.3	21.8	%
2 Total cost of merchandise sold	57.7-62.5	59.9	52.8-59.4	56.0	53.2 -59.3	56.1	51.4-56.7	53.9	51.2 -53.8	52.3	48.6-54.2	51.5	
3. Gross margin, excluding leased department income and sales	37.5-42.3	40.1	40.6-47.2	44.0	40.7 -46.8	43.9	43.4-48.7	46.1	46.2 -48.8	47.7	45.8-51.4	48.5	
4. Income from leased departments	NA	NA	NA	NA	.8- 2.0	1.5	1.1- 5.0	1.8	NA	NA	NA	NA	
5. Gross margin, including income from leased departments, as a percent of total net sales	37.6-42.3	40.7	40.6-47.2	44.0	40.7 -46.8	43.9	43.9-48.8	46.8	46.2 -49.4	47.7	46.1-51.4	48.5	
Expense Div. No.*													
6. 00 Net Alteration Cost													
a. Alterations payroll	1.1- 2.1	1.7	1.4- 3.1	1.9	1.9 - 3.5	2.8	2.2- 4.1	3.2	2.2 - 4.8	3.2	2.6- 4.6	3.6	
b. All other workroom expenses	.2- 1.1	.6	.2- 1.2	.4	.1 - .8	.2	.1- .7	.3	.1 - .2	.2	.1- .4	.1	
c. Less: Alteration Income	.3- .7	.4	.2- .5	.4	.2 - .8	.5	.3- .6	.5	NA	NA	.3- 1.1	.5	
d. Net Alterations Costs (line a plus line b, minus line c)	.7- 2.0	1.6	1.0- 2.3	1.3	1.1 - 3.2	2.2	1.9- 3.6	2.8	2.2 - 4.8	3.2	2.0- 4.2	3.6	
7. 01 Payroll (total)	12.1-24.2	18.3	15.6-26.1	18.3	13.0 -24.0	18.7	15.2-23.8	18.6	15.7 -23.1	17.5	12.2-24.2	16.6	
a. Payroll of owners and officers	4.7-11.0	7.9	4.9- 8.3	5.6	4.2 - 7.7	5.9	4.2- 7.9	5.6	3.7 - 8.0	4.2	1.9- 6.9	3.6	
b. Selling payroll (includes commissions & "spiffs")	6.1- 9.8	7.8	8.7-12.8	10.2	7.2 -12.2	10.0	8.8-12.0	10.2	8.3 - 9.5	8.5	7.8-10.7	9.1	
c. Non-selling payroll (excludes workroom & advertising payroll)	1.4- 3.4	2.7	2.0- 5.0	2.6	1.8 - 4.1	2.8	2.3- 3.9	2.9	3.8 - 5.7	4.8	2.4- 6.7	3.9	
8. 03 Advertising	2.0- 4.4	3.0	2.4- 3.6	2.6	2.1 - 4.1	3.0	2.4- 4.3	3.4	2.9 - 4.7	4.1	2.7- 5.1	3.4	
9. 04 Taxes (total)	1.1- 2.8	1.4	1.7- 2.4	1.9	1.5 - 2.4	2.0	1.8- 2.6	2.1	1.9 - 2.5	2.1	1.6- 2.4	1.9	
a. All state and local taxes (including licenses) with the exception of payroll taxes and Federal income taxes	.1- .9	.5	.1- .7	.4	.1 - .7	.3	.1- .7	.3	.2 - .7	.3	.1- .6	.4	
b. Social security and unemployment taxes	1.0- 1.4	1.2	1.5- 1.9	1.8	1.2 - 2.0	1.6	1.5- 2.0	1.8	1.6 - 2.1	1.9	1.4- 1.8	1.7	

10. 06	Supplies	1.6- 4.6	2.4	1.8- 4.0	2.6	1.7 - 4.1	2.7	1.6- 3.7	2.3	1.0 - 3.7	2.1	1.4- 3.1	2.3		
	a. Wrapping and packing supplies	.7- 1.7	1.1	.6- 1.5	.9	.7 - 1.4	1.1	.6- 1.4	.9	.3 - 1.4	.7	.5- 1.0	.7		
	b. Other supplies (cleaning, stationery)	.2- 1.6	.4	.3- .9	.5	.2 - 1.2	.6	.2- .9	.4	<.1 - .7	.5	.3- .8	.4		
	c. Utilities (heat, light, water, sewer, etc.)	.7- 1.4	1.0	.9- 1.6	1.2	.8 - 1.5	1.1	.8- 1.4	1.0	.7 - 1.6	1.0	.6- 1.3	1.2		
11. 07	Services Purchased (Total)	NA	1.5	.6- 1.8	1.0	.7 - 2.5	1.5	1.1- 4.1	2.6	NA	2.4	1.1- 2.7	1.7		
	a. Accounts receivable factoring charges	NA	NA	NA	NA	NA	NA	.2- 1.0	.6	NA	NA	NA	NA		
	b. Data processing/service bureau charges	NA	NA	.2- .4	.3	.1 - .9	.6	.3- 1.2	.8	.1 - .5	.3	.1- .7	.3		
	c. Credit card service fees	.2- .9	.5	.3- .6	.5	.4 - .8	.6	.5- 1.2	.9	.8 - 1.3	.9	.7- 1.3	.9		
	d. Cleaning service, delivery, alarm service, attorney fees for account collection, buying office, etc.	.1- .5	.3	.2- .7	.2	.2 - .8	.4	.2- .7	.3	.2 - .5	.4	.3- .7	.5		
12. 08	Unclassified (cash shortages, want ads, dues, subscriptions, employee prizes, etc.)	.2- .9	.4	.3- .9	.6	.3 - 1.5	.7	.3- .8	.4	.2 - .9	.3	.1- 1.6	.8		
13. 09	Traveling	.3- .9	.6	.4- 1.0	.6	.3 - 1.0	.7	.4- 1.0	.8	.4 - .9	.7	.4- 1.1	.6		
14. 10	Communications	.3- .9	.4	.4- .7	.5	.4 - .9	.7	.5- .9	.6	.4 - .8	.5	.5- .9	.8		
15. 11	Pensions	NA	NA	.5- 3.0	.9	.2 - 1.3	.4	.3- 1.7	.8	.5 - 1.2	.6	.1- 1.2	.3		
16. 12	Insurance (total)	1.0- 3.5	2.3	1.3- 2.6	2.0	1.2 - 3.1	1.8	1.3- 2.6	2.0	1.4 - 2.6	1.9	1.4- 2.6	1.8		
	a. Workmen's compensation insurance; sickness, accident, group medical, group hospital and life insurance premiums	.6- 2.0	1.8	.8- 1.8	1.3	.6 - 2.1	.9	.9- 1.7	1.4	1.1 - 1.9	1.2	.9- 1.7	1.2		
	b. All other insurance premiums	.4- 1.5	.6	.5- .9	.7	.6 - 1.0	.9	.4- .8	.6	.4 - .7	.6	.5- 1.0	.6		
17. 13	Depreciation (total)	.4- 1.5	.7	.6- 1.4	1.1	.5 - 1.5	1.0	.8- 1.8	1.2	1.1 - 2.1	1.3	.7- 1.8	1.3		
18. 14	Professional services	.3- .8	.5	.2- .6	.4	.2 - .9	.5	.3- .7	.4	.3 - .6	.4	.3- .8	.4		
19. 15	Donations	.1- .3	.2	.1- .2	.1	<.1 - .3	.1	.1- .2	.2	.1 - .2	.1	<.1- .1	.1		
20. 16	Bad Debts	.1- .4	.1	.1- .5	.3	.1 - .7	.2	.1- .4	.2	.2 - .6	.4	.1- .5	.2		
21. 17	Equipment costs	.1- 1.1	.5	.1- .5	.2	.2 - .8	.5	.3- .8	.4	.3 - 1.1	.6	.4- .9	.4		
22. 20	Real property rentals	1.9- 5.1	3.3	1.8- 4.3	2.8	1.7 - 5.4	4.1	3.3- 6.7	4.5	4.1 - 6.4	5.2	5.5- 8.6	6.6		
23.	Total expenses	30.0-40.9	35.3	36.7-43.2	40.6	38.9 -44.6	41.8	39.9-48.0	44.8	41.3 -49.3	45.6	43.0-47.4	45.4		
	NET GAIN (Percent of total net sales, except as noted.)														
24.	Operating profit, including income from leased departments	1.5- 7.4	3.6	(.2)- 9.5	3.2	(.1)- 5.3	3.1	.7- 4.4	2.6	(.6)- 6.8	.8	1.1- 5.6	3.4		
25.	a. Interest income	.1- .8	.2	.3- 1.4	.7	.4 - 1.7	1.3	.4- 1.9	1.3	.3 - 2.2	1.2	.3- 1.2	.7		
	b. Net other income	.1- 1.0	.4	.1- .8	.3	.1 - .7	.5	.1- .8	.4	.1- .4	.2	.3- 1.6	.5		
	c. Interest expenses	.6- 3.1	1.7	.5- 1.6	.8	.8 - 2.1	1.3	.7- 2.5	1.6	.6 - 2.2	1.5	.5- 1.8	1.2		
	d. Net other expenses	<.1- 1.4	.2	.5- 2.4	1.3	NA	NA	<.1- .7	.3	NA	NA	<.1- .3	.1		
26.	Net profit, before Federal income taxes	1.2- 5.7	2.9	1.0- 8.6	3.1	.7 - 5.3	3.1	1.0- 4.3	2.3	(.3)- 5.5	.8	1.5- 5.5	3.8		

1988 GEOGRAPHIC OPERATING EXPERIENCES

Firms in the Southeast (see page 57 for a map of geographic area breakdowns) reported the strongest increase in net sales for 1988, turning in a median 5.3 percent increase over 1987 compared with a 2.9 percent increase in 1987 over 1986. Firms in the Northeast and Southwest followed with median 4.9 percent and 4.6 percent sales increases, respectively.

Firms in the West experienced the steepest increase in total expenses, jumping up 5.7 percentage points to a median 45.9 percent of sales for 1988. Firms in the Southwest managed to trim total expenses by 3.4 percentage points for a median experience of 41.2 percent of sales in 1988. In the Northeast, Southeast and North Central regions, total expenses increased between 1.1 and 1.8 percentage points over 1987 levels.

Gross margin was lower than the typical industry experience of 45.3 percent of sales in the Northeast (42.8 percent), Central (45.2 percent) and Southwest (45.1 percent).

Firms in the Central region also reported the highest net profit before taxes, bettering their 1987 performance of 3.2 percent of sales slightly for a 1988 experience of 3.8 percent of sales. Firms in the Southwest showed the most marked change in net profit before taxes, dropping from 5.3 percent of sales in 1987 to a median 3.4 percent of sales in 1988.

1988 COOPERATIVE ADVERTISING FUNDS RECEIVED AS A PERCENTAGE OF GROSS PUBLICITY COSTS

Geographic Area	Range of Common Experience	Median
Northeast	3.2-12.4	8.0
Southeast	.7- 8.7	3.1
North Central	2.1-12.5	5.4
Central	2.4- 7.9	4.5
Southwest	3.2-40.0	20.0
West	1.5- 5.8	4.3

1988 SALES PER SQUARE FOOT OF SELLING AND TOTAL STORE AREA

(In Dollars)

	Selling Area		Total Area	
Geographic Area	Range of Common Experience	Median	Range of Common Experience	Median
Northeast	$163-427	$306	$127-299	$217
Southeast	$137-298	$228	$104-252	$161
North Central	$135-314	$179	$ 97-269	$151
Central	$152-282	$198	$ 98-207	$145
Southwest	$143-285	$249	$106-213	$154
West	$115-248	$148	$100-183	$122

OPERATING EXPERIENCES BY GEOGRAPHIC (Federal Reserve) AREA
1988 MERCHANDISING AND PRODUCTIVITY DATA

	NORTHEAST Boston Philadelphia, New York F.R. Dist. (22 Firms)		SOUTHEAST Richmond, Atlanta F.R. Dist. (29 Firms)		NORTH CENTRAL Cleveland, Chicago F.R. Dist. (31 Firms)		CENTRAL St. Louis, Minneapolis, Kansas City F.R. Dist. (25 Firms)		SOUTHWEST Dallas F.R. Dist. (16 Firms)		WEST San Francisco F.R. Dist. (15 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
SALES DATA													
Increase in total net sales from last year	(.5)- 12.6	4.9	1.9- 9.3	5.3	(3.0)- 11.1	3.5	(5.4)- 9.6	2.8	(<.1)- 9.4	4.6	(6.0)-(3.4)	2.6	___%
Sales per square foot of total store area in dollars	$127.1 -298.5	$216.6	$103.9 -252.4	$161.4	$97.4-269.2	$151.1	$97.7 -207.1	$145.1	$106.2 -212.7	$154.1	$100.0 -182.8	$121.6	___
SELLING AND ADVERTISING COST													
Selling payroll, percent of net sales excluding leased departments	5.8 - 11.7	9.5	9.4 - 12.7	10.8	6.9- 10.4	9.3	7.6 - 10.0	8.6	8.9 - 11.1	9.5	9.4 - 13.6	10.2	___
Advertising, percent of net sales excluding leased departments	2.0 - 4.8	3.4	2.4 - 4.3	3.5	2.5- 4.5	3.4	2.3 - 4.3	3.1	2.4 - 4.3	3.1	2.2 - 3.9	2.8	___
MERCHANDISING DATA													
Annual stock turn, number of times at retail	1.5 - 3.1	2.3	1.4 - 2.4	2.2	1.2- 2.2	1.8	1.7 - 2.7	2.0	1.5 - 2.6	1.8	1.3 - 2.6	1.5	___
Transportation in charges on goods purchased as a percent of net sales	.3 - 1.1	1.0	.4 - .9	.7	.7- 1.2	.9	.5 - 1.1	.8	.7 - 1.2	.9	.7 - 1.5	1.4	___
Beginning 1988 inventory as a percent of 1987 sales	14.5 - 29.1	19.3	18.7 - 32.4	25.5	17.4- 28.1	22.2	19.4 - 31.8	20.5	17.2 - 25.0	21.2	23.6 - 38.0	27.8	___
Ending 1988 inventory as a percent of 1988 sales	11.9 - 30.6	20.6	17.2 - 33.4	23.2	17.2- 32.1	22.6	20.0 - 29.7	25.4	16.1 - 27.6	19.5	18.5 - 38.1	27.0	___
ALTERATION DATA AND COST													
Net workroom cost, percent of net sales excluding leased departments	1.8 - 4.4	3.0	1.2 - 3.2	2.5	1.5- 4.2	2.4	1.3 - 4.1	2.5	1.6 - 2.8	2.3	1.1 2.9	1.9	___
Net alterations cost, percent of men's clothing sales	4.5 - 11.7	5.8	5.4 - 8.4	7.0	4.7- 7.8	6.6	4.4 - 8.7	6.6	5.1 - 8.4	8.0	5.8 - 9.6	6.7	___
Income from alterations, percent of net sales excluding leased departments	.2 - .6	.5	.2 - .5	.3	.2- .8	.5	.3 - .8	.5	.3 - .9	.5	.4 - .7	.5	___
PROFIT AND FINANCIAL DATA													
Income from leased departments, percent of leased department sales	NA	NA	10.8 - 32.3	13.0	13.9- 33.2	15.2	NA	NA	NA	NA	NA	NA	___
Cash discounts earned	.4 - 1.2	.8	.5 - 1.0	.7	.3- .7	.5	.3 - .9	.6	.3 - 1.3	.5	.5 - 1.1	.6	___
Net profit on net sales	(.8)- 5.8	2.1	.6 - 4.5	2.3	2.2- 5.7	3.4	1.1 - 8.5	3.8	.9 - 5.5	3.4	(.3)- 2.6	1.4	___
Net profit on net worth	5.3 - 25.0	11.6	2.3 - 13.6	5.5	5.7- 31.1	12.1	7.1 - 34.6	15.5	3.9 - 26.3	15.2	(1.4)- 14.4	6.8	___
Net profit on net working capital	2.6 - 21.0	13.5	2.3 - 11.4	5.8	7.3- 30.6	12.8	3.6 - 25.5	17.0	3.3 - 31.9	12.9	(.3)- 12.4	5.6	___

1988 COMPOSITE OPERATING STATEMENT BY GEOGRAPHIC (Federal Reserve District) AREA

PLEASE NOTE THAT NET WORKROOM COST IS NOW TREATED AS A SEPARATE EXPENSE CENTER. TAKE THIS INTO CONSIDERATION WHEN COMPARING GROSS MARGIN AND TOTAL EXPENSES TO LAST YEARS DATA PRIOR TO 1980. (*EXPENSE DIVISION NUMBERS AND DEFINITIONS ARE IN ACCORDANCE WITH MRA'S FINANCIAL & OPERATIONS GROUP "MENSWEAR BASIC MANAGEMENT ACCOUNTING MANUAL".)	NORTHEAST Boston, Philadelphia, New York, F.R. Dists. (22 Firms)		SOUTHEAST Richmond, Atlanta F.R. Dists. (29 Firms)		NORTH CENTRAL Cleveland, Chicago F.R. Dists. (31 Firms)		CENTRAL St. Louis, Minneapolis, Kansas City F.R. Dists. (25 Firms)		SOUTHWEST Dallas F.R. Dist. (16 Firms)		WEST San Francisco F.R. Dist. (15 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
COST OF GOODS SOLD (Percent of net sales, excluding leased departments, except as noted.)													
1. Ending inventory at cost	11.9-30.6	20.6	17.2-33.4	23.2	17.2-32.1	22.6	20.0-30.0	25.4	16.1-27.6	19.5	18.5-38.1	27.0	___%
2. Total cost of merchandise sold	54.8-60.3	57.2	51.1-57.9	54.2	51.8-57.7	53.9	51.4-59.3	54.8	51.7-59.3	54.9	48.5-58.4	53.6	____
3. Gross margin, excluding leased department income and sales	39.7-45.2	42.8	42.1-49.0	45.8	42.3-48.2	46.1	40.7-48.6	45.2	40.7-48.4	45.1	41.6-51.5	46.4	____
4. Income from leased departments	NA	NA	.9- 5.8	1.7	.4- 3.7	1.8	NA	NA	NA	NA	NA	NA	____
5. Gross margin, including income from leased departments, as a percent of total net sales	39.7-45.2	42.8	42.4-49.2	46.7	42.3-48.3	46.5	40.7-48.1	45.2	40.7-48.7	45.1	41.6-51.5	46.4	____
Expense Div. No.*													
6. 00 Net Alteration Cost													
a. Alterations payroll	2.3- 4.8	3.5	2.0- 3.9	2.8	1.6- 4.4	2.7	2.8- 4.3	3.2	1.7- 3.4	2.1	1.6- 3.2	2.1	____
b. All other workroom expenses	.1- 1.4	.4	.2- .4	.2	.1- .7	.2	.1- .8	.2	.2- .8	.3	.1- .7	.2	____
c. Less: Alteration Income	.2- .6	.5	.2- .5	.3	.2- .8	.5	.3- .8	.5	.3- .9	.5	.4- .7	.5	____
d. Net Alterations Costs (line a plus line b, minus line c)	1.8- 4.4	3.0	1.2- 3.2	2.5	1.5- 4.2	2.4	1.3- 4.1	2.5	1.6- 2.8	2.3	1.1- 2.9	1.9	____
7. 01 Payroll (total)	12.4-24.5	18.0	15.3-27.1	19.1	14.5-22.5	19.2	12.8-23.5	17.5	14.2-22.8	16.8	13.7-24.0	18.5	____
a. Payroll of owners and officers	5.0- 8.5	5.9	4.0- 8.2	5.5	5.2- 8.0	7.2	2.7- 8.8	5.4	3.2- 6.5	4.2	2.4- 6.4	5.3	____
b. Selling payroll (includes commissions & "spiffs")	5.8-11.7	9.5	9.4-12.7	10.8	6.9-10.4	9.3	7.6-10.0	8.6	8.9-11.1	9.5	9.4-13.6	10.2	____
c. Non-selling payroll (excludes workroom & advertising payroll)	1.6- 3.6	2.6	1.9- 6.1	2.8	2.4- 4.2	2.7	2.5- 4.8	3.5	2.1- 5.2	3.2	1.9- 4.0	3.0	____
8. 03 Advertising	2.0- 4.8	3.4	2.4- 4.3	3.5	2.5- 4.5	3.4	2.3- 4.3	3.1	2.4- 4.3	3.1	2.2- 3.9	2.8	____
9. 04 Taxes (total)	1.4- 2.1	1.7	1.9- 2.7	2.2	1.4- 2.6	1.9	1.4- 2.1	1.8	2.1- 2.5	2.3	1.8- 2.4	2.1	____
a. All state and local taxes (including licenses) with the exception of payroll taxes and Federal income taxes	.1- .4	.1	.2- .7	.5	.1- .9	.5	.1- .5	.3	.3- .7	.6	.1- .5	.1	____
b. Social security and unemployment taxes	1.2- 1.7	1.5	1.4- 2.0	1.7	1.1- 1.9	1.5	1.2- 1.7	1.6	1.5- 1.9	1.8	1.8- 2.1	1.9	____

10. 06	Supplies	1.5- 3.7	2.3	1.8- 4.0	2.8	1.5- 3.3	2.2	1.4- 3.6	2.4	1.3- 4.2	2.4	2.0- 4.6	3.1	____
	a. Wrapping and packing supplies	.6- 1.2	.9	.6- 1.6	1.0	.6- 1.2	.8	.5- 1.5	1.0	.3- 1.5	.6	.9- 1.9	1.4	____
	b. Other supplies (cleaning, stationery)	.3- 1.3	.6	.4- 1.0	.5	.2- .7	.3	.2- .7	.3	.4- 1.0	.7	.2- 1.0	.4	____
	c. Utilities (heat, light, water, sewer, etc.)	.5- 1.3	.8	.9- 1.4	1.2	.7- 1.4	1.0	.7- 1.4	1.1	.7- 1.6	1.2	.9- 1.6	1.3	____
11. 07	Services Purchased (Total)	.9- 3.6	1.9	.9- 2.6	1.7	.7- 2.5	1.4	.8- 2.4	1.4	.6- 2.6	1.5	1.2- 2.8	1.9	
	a. Accounts receivable factoring charges	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	____
	b. Data processing/service bureau charges	<.1- 1.3	.6	.2- 1.0	.5	.1- .7	.5	.2- .9	.5	.1- .9	.2	.6- 1.0	.7	____
	c. Credit card service fees	.5- 1.2	.9	.5- 1.2	.9	.4- 1.3	.7	.4- .9	.6	.3- .8	.7	.4- 1.1	.5	____
	d. Cleaning service, delivery, alarm service, attorney fees for account collection, buying office, etc.	.3- 1.1	.5	.2- .5	.3	.2- .6	.3	.1- .6	.3	.2- .8	.6	.2- .8	.6	____
12. 08	Unclassified (cash shortages, want ads, dues, subscriptions, employee prizes, etc.)	.2- 1.1	.5	.3- 1.0	.6	.2- .8	.5	.3- 1.0	.7	.2- .9	.4	.2- .9	.6	____
13. 09	Traveling	.3- 1.0	.6	.4- .9	.6	.3- .9	.6	.3- 1.2	.6	.4- 1.0	.6	.4- 1.3	.9	____
14. 10	Communications	.4- 1.0	.6	.4- .9	.7	.3- .7	.5	.5- .8	.6	.4- 1.0	.6	.5- 1.0	.7	____
15. 11	Pensions	.3- 1.8	1.2	.2- .6	.5	.3- 1.9	1.0	.3- .6	.5	.5- 1.9	.9	.1 - 1.4	.2	____
16. 12	Insurance (total)	.8- 2.5	1.7	1.3- 3.0	2.1	1.3- 3.0	2.0	1.2- 2.7	1.9	1.0- 2.6	1.9	1.6- 3.6	2.7	____
	a. Workmen's compensation insurance; sickness, accident, group medical, group hospital and life insurance premiums	.5- 1.5	1.1	.9- 1.9	1.4	.9- 2.1	1.4	.7- 1.5	1.2	.6- 1.5	1.1	1.1- 2.6	1.9	____
	b. All other insurance premiums	.3- .9	.6	.4- 1.0	.7	.4- .9	.6	.5- 1.2	.7	.4- 1.1	.8	.6- .9	.8	____
17. 13	Depreciation (total)	.6- 1.6	1.0	.8- 1.7	1.2	.4- 1.3	.9	.6- 1.7	1.1	1.3- 2.1	1.5	.4- 1.5	.8	____
18. 14	Professional services	.3- .8	.5	.3- .7	.5	.3- .7	.5	.1- .8	.3	.2- .8	.5	.2- 1.0	.4	____
19. 15	Donations	.1- .3	.2	<.1- .2	.1	.1- .2	.1	.1- .2	.2	<.1- .2	.1	.1- .3	.1	____
20. 16	Bad Debts	<.1- .3	.1	.2- .7	.4	.1- .3	.2	.1- .3	.2	.2- .7	.7	.2- .5	.3	____
21. 17	Equipment costs	.2- .8	.4	.3- .9	.4	.2- 1.1	.7	.2- .6	.4	.3- 1.2	.4	.2- .8	.5	____
22. 20	Real property rentals	2.3- 6.1	4.1	1.5- 5 6	3.9	2.0- 5.8	4.4	3.0- 6.3	4.2	4.0- 7.0	5.6	2.8- 6.6	5.1	____
23.	Total expenses	37.5-44.2	40.5	41.6-47.8	44.2	36.3-45.5	41.2	35.2-45.3	42.2	39.4-46.8	41.2	40.7-48.5	45.9	____
	NET GAIN (Percent of total net sales, except as noted.)													
24.	Operating profit, including income from leased departments	(1.1)- 4.9	3.0	(.1)- 4.6	1.0	1.5- 7.4	3.6	1.4- 8.6	4.0	.4- 5.8	2.8	(.1)- 3.8	2.9	____
25.	a. Interest income	.1- 1.3	.6	.2- 2.5	1.6	.3- 1.2	.8	.2- 1.3	.8	.3- 1.8	1.0	.9- 2.0	1.5	____
	b. Net other income	.1- .8	.4	.1- 1.0	.5	.1- .6	.4	.2- .7	.4	.1- .9	.3	.2- .7	.3	____
	c. Interest expenses	.8- 2.1	1.0	.7- 2.5	1.5	.4- 1.7	.9	.8- 2.2	1.5	.4- 1.9	.6	2.0- 2.9	2.2	____
	d. Net other expenses	NA	NA	.1- .8	.2	<.1- 1.4	.4	<.1- .9	.2	.2- 3.1	.8	NA	NA	____
26.	Net profit, before Federal income taxes	(.8)- 5.8	2.1	.6- 4.5	2.3	2.2- 5.7	3.4	1.1- 8.5	3.8	.9- 5.5	3.4	(.3)- 2.6	1.4	____

MERCHANDISING INFORMATION BY GEOGRAPHIC AREA

1988 DISTRIBUTION OF SALES BY MAJOR MERCHANDISE CLASSIFICATIONS

	MEN'S CLOTHING SALES	MEN'S SPORTSWEAR SALES	MEN'S FURNISHINGS SALES
NORTHEAST			
Range	16.3-63.8	12.0-36.1	11.1-23.3
Median	40.0	19.4	18.7
SOUTHEAST			
Range	28.2-53.4	9.3-27.0	12.4-21.9
Median	39.9	16.6	16.1
NORTH CENTRAL			
Range	32.2-57.7	14.1-41.0	16.8-22.3
Median	42.00	26.1	18.8
CENTRAL			
Range	35.9-54.0	11.7-28.2	13.4-23.0
Median	46.6	20.3	21.1
SOUTHWEST			
Range	19.7-52.0	13.0-26.2	13.9-19.9
Median	25.2	18.7	15.9
WEST			
Range	24.0-44.2	21.7-29.7	13.7-20.5
Median	35.8	24.3	15.9

1988 MARKDOWNS AS A PERCENTAGE OF TOTAL MARKDOWNS FOR THE THREE MAJOR MEN'S WEAR MERCHANDISE CLASSIFICATIONS

	MEN'S CLOTHING MARKDOWNS	MEN'S SPORTSWEAR MARKDOWNS	MEN'S FURNISHINGS MARKDOWNS
NORTHEAST			
Range	27.9-69.6	14.2-29.0	6.9-21.7
Median	41.9	21.9	8.9
SOUTHEAST			
Range	26.1-59.6	13.3-28.7	8.7-16.1
Median	48.5	18.3	9.9
NORTH CENTRAL			
Range	18.6-48.9	13.6-53.7	10.5-16.5
Median	34.7	28.4	13.1
CENTRAL			
Range	30.9-55.7	12.9-32.9	5.7-16.8
Median	48.8	17.9	12.0
SOUTHWEST			
Range	21.6-53.9	11.6-25.4	7.5-10.7
Median	30.9	20.9	9.7
WEST			
Range	16.1-44.3	20.0-31.2	5.0-12.3
Median	31.4	23.9	6.5

Geographic Areas by Federal Reserve Districts

Map Explanation:

Area designations are based on combinations of Federal Reserve Districts.

Key

Area	Federal Reserve District
Northeast	Boston, Philadelphia, New York
Southeast	Richmond, Atlanta
Central	St. Louis, Minneapolis, Kansas City
North Central	Cleveland, Chicago
Southwest	Dallas
West	San Francisco

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1990, 1991, and 1992 4-5-4 RETAIL CALENDAR

1990

February

S	M	T	W	T	F	S
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	1	2	3

March

4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
1	2	3	4	5	6	7

April

8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	1	2	3	4	5

May

S	M	T	W	T	F	S
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2

June

3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
1	2	3	4	5	6	7

July

8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4

August

S	M	T	W	T	F	S
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	1

September

2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	1	2	3	4	5	6

October

7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31	1	2	3

November

S	M	T	W	T	F	S
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	1

December

2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31	1	2	3	4	5

January 1991

6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2

1991

February

S	M	T	W	T	F	S
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	1	2

March

3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6

April

7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	1	2	3	4

May

S	M	T	W	T	F	S
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	1

June

2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	1	2	3	4	5	6

July

7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31	1	2	3

August

S	M	T	W	T	F	S
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	1	2	3	4	5

October

6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2

November

S	M	T	W	T	F	S
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4

January 1992

5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	1

1992

February

S	M	T	W	T	F	S
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

March

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4

April

5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	1	2

May

S	M	T	W	T	F	S
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

June

31	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	1	2	3	4

July

5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	1

August

S	M	T	W	T	F	S
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

September

30	31	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	1	2	3

October

4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

December

29	30	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2

January 1993

3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

MENSWEAR RETAILERS OF AMERICA

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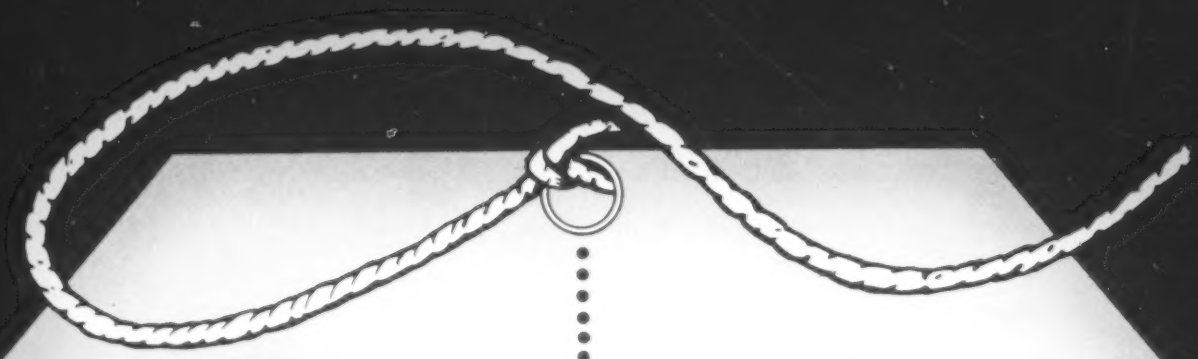

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